

Objective Standards Of Performance

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Objective Standards Of Performance

Introduction

This Appendix contains the performance objectives, criteria, and measures (POCMs) which are the components of the performance-based management system that the University and DOE will utilize for Laboratory oversight as described in Clause 2.6, Performance-Based Management. The POCMs will be clear and reasonable objective standards against which the University's overall compliance with obligations under this contract will be assessed.

The POCMs will be subject to annual review and may be modified by the agreement of the Parties in accordance with the procedures set forth in Clause 2.6, Performance-Based Management, Clause 5.1, Contract Modifications, and Clause 5.3, Program Performance Fee. It is understood that the changes in the POCMs may be proposed based on cost/risk/benefit analysis.

This Appendix contains a description of the process to be used by the University and DOE to evaluate the Contractor's performance of administration, operations, science, and technology at the Laboratory.

Business systems may require modification as POCMs are revised in accordance with Clause 2.6, Performance-Based Management. Where systems are so modified in the course of a review period, DOE agrees to take such modification into account in the appraisal.

Section A - Science And Technology Self-Assessment

COMPONENTS OF PERFORMANCE EVALUATION PROCESS

The UC evaluation of science and technology is based on a combination of peer review and self-assessment by the laboratories. The UC President's Council on the National Laboratories, in collaboration with its Science and Technology Panel, evaluates annually the quality of science and technology at each Laboratory. For its evaluation, the Council utilizes input from external peer review committees established for each division and the Laboratory's self assessment. The Council's evaluation also includes an assessment of Laboratory management and institutional issues, which is based on its own analysis and the lab's self-assessment. The peer review committees base their evaluations on the following four criteria as appropriate:

- **Quality of Science** - Recognized indicators of excellence, including impact of scientific contributions, leadership in the scientific community, innovativeness, and sustained achievement will be assessed as appropriate. Other performance measures such as publications, citations, and awards may be considered.
- **Relevance to National Needs and Agency Missions** The impact of Laboratory research and development on the mission needs of the Department of Energy and other agencies funding the programs will be assessed in the reviews. Such considerations include national security, energy policy, economic competitiveness, and national environmental goals, as well as the goals of DOE and other Laboratory funding agencies in advancing fundamental science and strengthening science education. The primary mission of the Defense Program laboratories is to support National Security. The impact of Laboratory programs on National Security is of principal importance for this assessment element. The assessment may also consider the relevance and impact of Laboratory research programs on national technology needs. As appropriate, additional consideration will be given to performance measures such as licenses and patents, collaborative agreements with industry, and the value of commercial spin-offs.
- **Performance in the Technical Development and Operation of Major Research Facilities** - Performance measures include success in meeting scientific and technical objectives, technical performance specifications, and user availability goals. Other considerations may include the quality of user science performed, extent of user participation and user satisfaction, operational reliability and efficiency, and effectiveness of planning for future improvements, recognizing that DOE programmatic needs are considered to be primary when balanced against user goals and user satisfaction.
- **Programmatic Performance and Planning** The assessment should focus on broad programmatic goals, including meeting established technical milestones, carrying out work within budget and on schedule, satisfying the sponsors, providing cost-effective performance, planning for orderly completion or continuation of the programs, and appropriate publication and dissemination of scientific and technical information. In assessing the effectiveness of programmatic and strategic planning, the reviewers may consider the ability to execute projects in concert with overall mission objectives, programmatic responsiveness to changes in scope or technical perspective, and strategic responsiveness to new research missions and emerging national needs. In the evaluation of the effectiveness of programmatic management, consideration may include morale, quality of leadership, effectiveness in managing scientific resources (including effectiveness in mobilizing interdisciplinary teams), effectiveness of organization, and efficiency of facility operations.
- Because of the size and breadth of most Laboratory divisions, it is in many cases not possible (or desirable) to review all components annually. Instead, each Laboratory has developed review schedules appropriate for each division to assure review of all division components at least on a three-year cycle.

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- Each Laboratory prepares an annual self-assessment of its performance in science and technology that utilizes the peer reviews of each division. In addition, each lab will prepare a brief summary self-assessment of its programmatic performance on the major program elements outlined in Appendix E, Statement of Work. -The summary self-assessment will address any areas previously agreed upon with the appropriate DOE office and approved by the contracting officer. The summary self assessment may also include the above four criteria that are appropriate to the assessed programmatic work. The self assessment will also identify and track scientific and technical information reporting requirements. A schedule will be developed in collaboration with the DOE to phase in the programmatic self-assessments such that all major program elements will be assessed a minimum of every three years.

Section B - Performance Objectives, Criteria and Measures for Operations & Administration

Part I - Laboratory Management

Performance Objective #1 Laboratory Leadership

Laboratory leadership, in support of Laboratory missions, ensures the stewardship and viability of the institution. **(Weight = LANL 70% LBNL/LLNL100%)**

Criteria:

Performance Measures:

1.1 Institutional Stewardship and Viability

Evaluation of Laboratory senior management's approach, deployment and results for ensuring that the institution is capable of executing its current and future missions.
Weight = 100%)

1.1.a

Planning:

Evaluation of management's approach for strategic planning that aligns Laboratory missions, core competencies, strategic direction, and funding sources with DOE strategic plans and objectives. The assessment will focus on achievement of the key objectives contained in the Laboratory's plans and how this information is reviewed with DOE.
(Weight = 16.6%)

Weighting for Approach/Deployment and Results:

A/D = 40%

R = 60%

Gradients (see attachment)

Agreement: LANL specific - Evaluation to include relevant aspects of this measure to the transition of the new Laboratory Director (A/D only)

1.1.b

Establishing and Communicating Performance Expectations

Evaluation of management's effectiveness in establishing and communicating performance expectations. Assessment will focus on communication with Laboratory line management and senior management at the DOE Headquarters, Operations Office, and UC that reinforces performance goals. **(Weight = 16.6%)**

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Weighting for Approach/Deployment
and Results:

A/D = 40%

R = 60%

Gradients (see attachment)

Agreement: LANL specific - Evaluation
to include relevant aspects of this
measure to the transition of the new
Laboratory Director (A/D only)

Criteria:

Performance Measures:

- 1.1.c **Stewardship of Assets**
Evaluation of Laboratory management
systems for making decisions that address
stewardship of programmatic and
institutional assets. Assessment will
include the impact of planning on decision
making , the use of prioritization processes,
asset management, resource allocation,
etc.
(Weight =16.6%)

Weighting for Approach/Deployment
and Results:

A/D = 40%

R = 60%

Gradients (see attachment)

- 1.1.d **Effective Resource Management**
Evaluation of management's efforts to
effectively manage funding and staff
resources consistent with DOE and
Laboratory goals. Assessment will focus on
performance results which may include
improvements in cost effectiveness such
as the ratio of S&T to A&O staff, and other
productivity or re-engineering indicators.
(Weight = 16.6%)

Weighting for Approach/Deployment
and Results:

A/D = 40%

R = 60%

Gradients (see attachment)

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Criteria:

Performance Measures:

- 1.1.e **Community Relations:**
Evaluation of management's awareness of public concern regarding Laboratory operations. Assessment will focus on management's effectiveness in addressing community issues in a proactive manner.
(Weight = 16.6%)

Weighting for Approach/Deployment and Results:

A/D = 40%

R = 60%

Gradients (see attachment)

Agreement: Evaluation factors to be considered under this Performance Measure will be based on the agreement in the new five year contract.

- 1.1.f **Accountability and Commitments**
Evidence that systems ensure major commitments are met and information on status is timely and complete and that these systems allow informed management action. **(Weight = 16.6%)**

Weighting for Approach/Deployment and Results:

A/D = 40%

R = 60%

Gradients (see attachment)

Agreement: LANL specific - Evaluation to include management's efforts to support implementation of:

- Integrated Safety Management,
- Accelerator Production of Tritium, and
- Annual Certification of the Stockpile

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Performance Objective #2 Regional Economic Partnership in Northern New Mexico

LANL will develop (in concert with UC and DOE) an effective partnership with regional entities to enhance economic development and diversification.

(Weight = 30%)

This Performance Objective and Measure is LANL - specific

Criteria:

2.1 **Regional Economic Partnership:**
Laboratory leadership establishes an effective program to partner with regional entities to enhance economic development and diversification.
(Weight = 100%)

Performance Measures:

2.1.a **Regional Economic Partnership:**
Evaluation of the effectiveness of the Laboratory's contribution to regional efforts in economic development and diversification. Evaluation factors to be considered under this Performance Measure will include the Appendix M program review criteria in the new 5-year contract such as:

- Laboratory's participation in Northern New Mexico regional economic initiatives such as the regional procurement initiatives;
- Laboratory's effectiveness to partner with state, tribal and local officials and leaders;
- Management's efforts in facilitating the commercialization of Laboratory technology;
- Management efforts toward privatization of laboratory activities and operations that contribute to the economic growth of Northern New Mexico communities.

(Weight = 100%)

Weighting for Approach/Deployment and Results:

A/D = 40%

R = 60%

Gradients (see attachment)

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Attachment

The performance expectation for each performance measure will use the scoring criteria indicated in Table 1 below. Each performance measure indicates the relative weights between the Approach/Deployment criteria and the Results criteria.

Table 1, Appraisal Scoring Guidelines for Laboratory Management

Narrative Rating	Score Range	Approach/Deployment	Results
Outstanding	90 - 100%	<ul style="list-style-type: none"> a sound systematic approach, fully responsive to all requirements. a very strong fact-based improvement process is a key management tool; strong refinement and integration - backed by excellent analysis. approach is fully deployed without significant weaknesses or gaps in any areas or work units. 	<ul style="list-style-type: none"> current performance is excellent in most areas of importance to the key business requirements. excellent performance levels in most areas. strong evidence of industry and benchmark leadership demonstrated in many areas.
Excellent	80 - 89%	<ul style="list-style-type: none"> a sound systematic approach, responsive to the overall purposes. a fact-based improvement process is a key management tool; clear evidence of refinement and improved integration as a result of improvement cycles and analysis. approach is well developed, with no major gaps; deployment may vary in some areas or work units. 	<ul style="list-style-type: none"> Current performance is good to excellent in most areas of importance to the key business requirements. Most improvement trends and/or current performance levels are sustained. many to most trends and/or current performance levels show areas of leadership and very good relative performance levels.
Good	70 - 79%	<ul style="list-style-type: none"> a sound systematic approach, responsive to the primary requirements. a fact-based improvement process in place in key areas; more emphasis is placed on improvement than on reaction to problems. no major gaps in deployment, though some areas or work units may be in the very early stages of deployment. 	<ul style="list-style-type: none"> improvement trends and/or good performance levels reported for many to most areas of importance to the key business requirements. no pattern of adverse trends and/or poor performance levels in areas of importance to the key business requirements. some trends and/or current performance levels show areas of strength and/or good to very good relative performance levels.
Marginal/ Unsatisfactory	50 - 69%	<ul style="list-style-type: none"> beginning of a systematic approach to the primary purposes. early stages of a transition from reacting to problems to a general improvement orientation. major gaps exist in deployment that would inhibit progress in achieving the primary purposes. 	<ul style="list-style-type: none"> early stages of developing; some improvements and/or early good performance level in a few areas.

Section B - Performance Objectives, Criteria and Measures for Operations & Administration

Part II - Operations

II - 1 Environment Restoration and Waste Management

Performance Objective #1 Environmental Restoration and Waste Management

The Laboratory will conduct Environmental Management (EM) waste operations in a safe manner that protects human health, the environment and the public and prevents adverse impacts thereon; the Laboratory will develop innovative solutions to advance the Environmental Management Program; and the Laboratory's Environmental Restoration Program will continually strive to improve efficiency and maximize remediation.

(Weight = 100%)

Criteria:

1.1 Waste Management

The Laboratory's facilities and operations for handling waste will be managed to minimize the impact on the environment and to maximize the efficient use of EM funds. The Laboratory will operate its waste facilities to continually strive to improve efficiency and reduce the waste inventory.

Performance Measures:

1.1.a

The Laboratory will collect data on the volume of waste shipped offsite plus made "road-ready" per total operations dollar per fiscal year. This data will be trended to demonstrate improvement in efficiency and compared to an established baseline.

(Weight = 10%)

Assumptions:

1. The performance period is for a single fiscal year.
2. Baseline year will be the average of FY96 and FY97 data. The sites may use either the actual FY97 data or 1.15 times the FY97 goals to calculate this average.
3. Total operations dollar is funding obligated at end of fiscal year for operating expense and capital equipment, relegated to the Facility Operations and Maintenance (FO&M) Activity Data Sheet (ADS), and corrected for inflation as determined by DOE.
4. Waste volumes shall be limited to those funded and tracked by EM-30.
5. "Road Ready" waste volumes are wastes that have an intended disposal site and are certified to that site's waste acceptance criteria (WAC), but have yet to be shipped due to circumstances beyond the site's control.
6. Waste identified as "road ready" will be considered disposed. Disposal credit for shipped "road ready" waste volumes is not allowed in subsequent performance period(s).
7. Wastewater discharged to sewer will be classified as low-level waste (LLW), mixed waste (MW), and/or hazardous waste (HW) for tracking purposes, as appropriate.
8. Total wastewater inventory received is treated and then disposed (LLNL only).
9. Conversion factor of the specific density of water (1.0) will be used to convert the weight of wastewaters to volumetric measurements.

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10. LLW with CA-only constituents will be managed and tracked as LLW.
11. Toxic Substances Control Act (TSCA) and medical waste volumes will be included with HW inventory.
12. MW is defined by the Federal Facilities Compliance Act (FFCAAct).
13. Legacy waste is defined as the backlog of stored waste for which a permanent disposition determination needs to be made or where insufficient characterization information exists to allow proper disposition.
14. Legacy waste volumes are determined by such inventory at the end of FY96, and will be classified as LLW, MW, and/or transuranic (TRU) waste for tracking purposes, as appropriate.
15. "Other Waste" (e.g., non-hazardous, sewerable) is defined as EM-30 waste not otherwise categorized as LLW, MW, HW, or TRU waste.
16. Due to its non-defense designation, TRU waste at LBNL is excluded as a waste type for the performance measure.
17. If sites do not receive funds that are within +/- 5% of the approved Current Year Work Plan (CYWP), then the Success Criteria will be renegotiated.

Success Criteria and Waste Type Matrix Elements will be renegotiated before the fiscal year performance period to account for any significant programmatic, regulatory, and/or fiscal changes.

Gradient:

The score for this performance measure will be based on the following table:

Success Criteria

Rating	Range
Outstanding	90-100%
Excellent	80-89 %
Good	60-79%
Marginal/Unsatisfactory	<60%

The Success Criteria Gradient is calculated using the following formula:

$$\text{Score} = \frac{\sum \text{Waste Type Matrix Points}}{\text{Total \# of Waste Types}} \times 100\%$$

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Basis:

1. The rating of "Outstanding" or "Excellent" can be attained only if each element of the summation is greater than or equal to 60%, excluding TRU waste.

Waste Type Matrix Points are assigned from the table below by calculating for each applicable waste type the Performance Improvement (PI) :

$$PI = \frac{\text{Baseline Year Factor} - \text{Performance Year Factor}}{\text{Baseline Year Factor}} \times 100\%$$

Where:

$$\text{Performance Year Factor} = \frac{\text{Total Operations Funding for Performance Year}}{\text{m}^3 \text{ Waste Type Disposed}}$$

$$\text{Baseline Year Factor} = \frac{\text{Total Operations Funding for Baseline Year}}{\text{m}^3 \text{ Waste Type Disposed}}$$

Waste Type Matrix

Waste Type	PI ≤ -5%	-5% < PI ≤ 5%	5% < PI ≤ 10%	10% < PI ≤ 15%	PI > 15%
HW	0	1	1	1	1
LLW	0	0.25	0.5	0.75	1
MW	0	0.25	0.5	0.75	1
TRU	0	0.25	0.5	0.75	1
Other	0	1	1	1	1

Criteria:

Performance Measures:

1.1.b

The Laboratory will reduce low-level and mixed waste inventories through treatment and disposal activities. Treatment and disposal volumes will be tracked and compared to the EM Management Commitments.
(Weight = 15%)

Assumptions:

1. The performance period is for a single fiscal year.
2. EM Management Commitments obtained from site-specific Ten Year Plan (TYP) submittal.
 LLNL: treatment 141 m³ MW, 43 m³ LLW; disposal 141 m³ MW, 531 m³ LLW
 LBNL: treatment 1 m³ MW, 7.9 m³ LLW; disposal 1 m³ MW, 18.8 m³ LLW
3. The EM Management Commitments in Assumption 2 above contain significant amounts of newly generated wastes. Newly generated wastes will be considered to be EM Management Commitment waste minus Site Treatment Plan (STP) waste for MW and EM Management Commitment waste minus Legacy Waste

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Plan waste for LLW. Actual waste generation rates will be tracked and compared to the EM Management Commitments on a quarterly basis. The EM Management Commitments may be adjusted with DOE approval after July to match actual generation rates.

4. Treatment and disposal activities are defined by the Facility Operations and Maintenance (FO&M) Activity Data Sheet (ADS).
5. Waste volumes shall be limited to those funded and tracked by EM-30.
6. "Road Ready" waste volumes are wastes that have an intended disposal/treatment site and are certified to that site's waste acceptance criteria (WAC), but have yet to be shipped due to circumstances beyond the site's control.
7. Waste identified as "road ready" will be considered disposed. Credit for shipped "road ready" waste volumes is not allowed in subsequent performance period(s).
8. Wastewater discharged to sewer will be classified as low-level waste (LLW) and mixed waste (MW) for tracking purposes, as appropriate.
9. Total wastewater inventory received is treated and then disposed (LLNL only).
10. Conversion factor of the specific density of water (1.0) will be used to convert the weight of wastewaters to volumetric measurements.
11. LLW with CA-only constituents will be managed and tracked as LLW.
12. MW is defined by the Federal Facilities Compliance Act (FFCAAct).
13. Legacy waste is defined as the backlog of stored waste for which a permanent disposition determination needs to be made or where insufficient characterization information exists to allow proper disposition.
14. Legacy waste volumes are determined by such inventory at the end of FY96, and will be classified as LLW and MW for tracking purposes, as appropriate.
15. If sites do not receive funds that are within +/- 5% of the approved Current Year Work Plan (CYWP), then the EM Treatment and Disposal Commitments will be renegotiated.

Success Criteria will be renegotiated before the fiscal year performance period to account for any significant programmatic, regulatory, and/or fiscal changes.

Gradient:

The score for this performance measure will be based on the following table:

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Success Criteria	
Rating	Range
Outstanding	>95%
Excellent	90-95 %
Good	78-89%
Marginal/Unsatisfactory	<78%

The Success Criteria Gradient is calculated using the following formula:

$$\text{Score} = \frac{1}{4} \left[\frac{\text{Amount LLW Treated}}{\text{LLW EM Treatment Commitment}} + \frac{\text{Amount MW Treated}}{\text{MW EM Treatment Commitment}} + \frac{\text{Amount LLW Disposed}}{\text{LLW EM Disposal Commitment}} + \frac{\text{Amount MW Disposed}}{\text{MW EM Disposal Commitment}} \right] \times 10$$

Basis:

- Each element of the formula is less than or equal to 1.2. That is, the highest individual treatment/disposal versus treatment/disposal commitment ratio that can be attained is 1.2.

The rating of "Outstanding" or "Excellent" can be received only if each element of the formula is greater than or equal to 78%.

Criteria:

- 1.2 **EM Program Innovation**
 The Laboratory will develop innovative solutions to advance the Environmental Management Program. The EM Program includes Environmental Restoration, Waste Management, and Technology Development.
(Weight = 25%)

Performance Measures:

- 1.2.a **Advancement of the EM Program**
 The Laboratory will advance the state of the art technologies by implementing their usage; participate in the corporate advancement of the EM Program by providing solutions or assistance to other DOE/OAK sites; and identify and implement innovative technological solutions or business practices that result in savings.
(Weight = 25%)

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Assumptions:

- The performance period will be a single DOE fiscal year.
- It is recognized that actions may result in cost savings that extend for more than one year. Credit for cost savings (Category 3) may be taken in each year in which cost savings are realized, up to a total of five years.
- In general, accomplishments are expected using existing resources. In some cases, additional funding may be required to undertake specific innovative solutions. With the agreement of both parties, DOE-HQ(EM) may provide additional funds and/or allow the Laboratory to use cost savings realized to meet this performance measure.

Gradient:

The degree of innovation achieved will be measured by a point system. Points will be awarded in each of several performance categories, with a total score from all categories being the final score for the performance measure. Projects which receive credit in one performance indicator category may also receive credit for any costs savings realized (Category 3), but may not receive credits in all three categories. The performance indicators and associated award points will be as follows:

Category 1

Advance the state of the art technologies by implementing the usage of Laboratory technologies at DOE or other Government sites, or utilize other EM technologies at the Laboratory.

- Use of non-LLNL EM developed technology at the Laboratory 1 point each technology
- Use of LLNL developed technology at other sites 1 point each technology
- Use of LLNL developed technology at any DOE site 2 points each technology

Category 2

The Laboratory participates in the corporate advancement of the EM program by providing solutions or assistance on projects at other DOE sites. Projects should result in at least one of the following:

- Cost savings
 - Efficiency improvement (i.e., quicker, better quality, etc.)
 - Liability or risk reduction
 - Use of laboratory resources and/or facilities to aid others
- (1 point will be awarded for each project that meets one or more of the criteria listed.)

Category 3

Provide cost savings by identifying and/or implementing innovative technological solutions or business practices. Innovative technological solutions or business practices are defined as those that represent a significant change from current solutions or existing practices (technological or regulatory). They can not simply be refinements of existing technological or business practices, nor be cost savings due to a simple reduction in scope of work or deliverables.

- LLNL will be awarded 1 point for every \$250,000 saved
- LBNL will be awarded 1 point for every \$100,000 saved

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Rating	Range (LLNL)	Range (LBNL)
Excellent	>12	>6
Good	6 - 11	3 - 5
Marginal/Unsatisfactory	0 - 5	0 - 2

Criteria:

Performance Measures:

1.3 Environmental Restoration - LLNL

LLNL will target a percentage increase in the total contaminant mass removed from ground water per total environmental restoration budget as compared to the previous baseline year.
(Weight = 25%)

1.3.a Environmental Restoration - LLNL

The Performance Indicator is the ratio of the total contaminant mass removed divided by total DOE-HQ(ER) dollars to the baseline total contaminant mass removed divided by baseline total DOE-HQ(ER) dollars.
(Weight = 25%)

Assumptions:

- The baseline is the previous year's performance ratio of total contaminant mass removed from ground water at the Livermore Site and Site 300 divided by the previous year's total LLNL DOE-HQ(ER) budget relative to **BL96**, where **BL96** is the ratio the total contaminant mass removed from ground water at the Livermore Site and Site 300 in FY96 divided by the FY96 total LLNL DOE-HQ(ER) budget.
- Total DOE-HQ(ER) budget is the total DOE-HQ(EM-40) funding to the Environmental Restoration Program.
- Contaminants will include VOCs (volatile organic compounds) and non-VOCs (e.g., tritium, uranium, hexavalent chrome) where the non-VOC component is converted to VOCs equivalents by dividing the concentration or activity by the drinking water maximum contaminant level and multiplying that unitless result by 5 ppb (parts per billion), the nominal mcl (maximum contaminate level) for VOCs.
- Credit will be given for "no further actions" (NFAs) cleanup alternatives, such as
 - no further action (NFA)
 - capping
 - closures
 - material removal (M&T)
 - containment zone status
- The NFA contribution to contaminant mass will be developed by calculating the fraction of the site contaminant mass in ground water that the NFA area contains divided by the estimate of the site's total mass of contaminants in ground water. This ratio is then added to the overall fractional score for one year. Contaminant mass "removed" by NFA would not be incorporated in the baseline against which the next year's performance would be calculated. *(For example, if one assumed the contaminant mass removed for FY98 was 100 kg and that was equal to 1.24 **BL96** and the FY97 performance was 1.11 **BL96**. And one further assumed that the NFA closure in FY98 resulted in no further action required for 40 kg out of the overall site contaminant inventory of 1000 kg, then the score for FY98 would be equal to $[(1.24/1.11) + (40/1000)]$ which is 1.16. And the baseline for FY99 would be 1.24 **BL96**.)*
- The ACI (Accelerated Site Cleanup Initiative) will be figured-in during the year of application. A new baseline will be established at the end of the fielding of the ACI.

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Standard *Force Majeure* items (including but not limited to acts of God, nonreceipt of the President's Target Level Funding, funding rescissions, scope redirection by DOE, discovery of new, high risk site conditions that warrant immediate action and change to the CYWP (Current Year Work Plans), programmatic impediments) will apply and will require special considerations up to and including re-baselining.

- Performance measuring will begin in FY97.

Gradient:

Rating:	Range:
Outstanding	The ratio of total contaminant mass removed divided by total DOE-HQ(ER) dollars to the baseline total contaminant mass removed divided by baseline total DOE-HQ(ER) dollars is greater than or equal to 1.25.
Excellent	The ratio of total contaminant mass removed divided by total ER dollars to the baseline total contaminant mass removed divided by baseline total DOE-HQ(ER) dollars is greater than or equal to 1.15 and less than 1.25.
Good	The ratio of total contaminant mass removed divided by total DOE-HQ(ER) dollars to the baseline total contaminant mass removed divided by baseline total DOE-HQ(ER) dollars is greater than or equal to 1.05 and less than 1.15.
Marginal/Unsatisfactory	The ratio of total contaminant mass removed divided by total DOE-HQ(ER) dollars to the baseline total contaminant mass removed divided by baseline total DOE-HQ(ER) dollars is less than 1.05.

Criteria:

Performance Measures:

1.3 Environmental Restoration - LBNL

The Laboratory will strive for continuous improvement (increase) in the number of potential release sites (Solid Waste Management Units and Areas of Concern) completed per total ER dollars spent.

(Weight = 25%)

1.3.a Environmental Restoration - LBNL

This measure will track increases in the Site Completion Index, where:

$$\frac{[(\# \text{ of active sites in previous fiscal year}) (S DR_i)]}{[(\# \text{ of active sites in current fiscal year})(\text{total ER project dollars in millions})]}$$

 = Site Completion Index, where DR_i is the difficulty rating for site i completed in the current fiscal year

(Weight = 25%)

Assumptions:

Potential release sites are considered completed when the lead RCRA regulator approves "No Further Action" for the site.

- Potential release sites will be weighted in accordance with their difficulty to complete, ranging from 1 for easiest to 10 for most difficult sites to complete. These difficulty ratings will be included in the Current Year Work Plans developed by LBNL and

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approved by DOE at least annually. Revisions to the difficulty ratings will be managed through the existing Baseline Change Control procedures.

- The Site Completion Index is measured per fiscal year. Data from FY96 accomplishments will be used to develop the performance baseline. The factor (# of active sites in previous fiscal year)/(# of active sites in current fiscal year) has been included to make the calculation statistically consistent. This factor for the base year is considered to be unity.
- It's currently anticipated that the majority of sites which can be completed in a short time frame will be completed by the end of FY98. At that time, this measure will be revised to reflect the future character of the program.

Gradient:

Percentage increase in Site Completion Index *

Rating:	Range:
Outstanding	Index Increased >20%
Excellent	10% < Index Increased < 20%
Good	-10% £ Index Increased < 10%
Marginal/Unsatisfactory	Index Increased £ -10%

- Where the percentage increase in the Site Completion Index (SCI) is calculated as follows:

$$SCI = \frac{(\text{Site Completion Index current FY} - \text{Site Completion Index previous FY})}{(\text{Site Completion Index FY96})} (100)$$

Criteria:

Performance Measures:

- 1.4 **Cost and Schedule Variances**
 The Laboratory's Environmental Management Program will be managed to improve project/program performance. The Laboratory measures its performance of projects/programs against schedule and cost baselines.
(Weight = 25%)

- 1.4.a
 The cost measure will track Laboratories' performance in executing projects in accordance with an approved and validated project cost baseline. The schedule measure will track the Laboratories' performance in executing projects in accordance with an approved overall schedule.
(Weight = 25%)

Assumptions:

- Cumulative percent cost variance (%CV) and cumulative percent schedule variance (%SV) will be obtained from the September Project Tracking System (PTS). The Cumulative CV, SV and BCWP values will be only for the fiscal year being evaluated.
- Baseline change proposals are reviewed and made, if approved, by DOE in 30 days.

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- If the FIS Report contains an accounting error, CV, SV and ACWP values provided by LBNL and/or LLNL and verified by the respective DOE Site Representative may be used.
- Includes the following DOE-HQ(EM)-funded activities by ADS No.
LBNL: SF148211, SF148231, SF148212, SF3914, and SF3931.
LLNL: SF3941, SF3943, SF3944, SF3948, SF3946, and SF148101 - SF148130 (as one ADS).
- These DOE-HQ(EM)-funded activities do not include ADSs measured in the other Performance Measures.

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Gradient:

Rating:	Range (LLNL):	Range (LBNL):
Outstanding	$(CV+SV) > 5\%$	$CV, SV > 5\%$
Excellent	$0\% < (CV+SV) \leq 5\%$	$0\% < CV \leq 5\%$
Good	$-5\% < (CV+SV) \leq 0\%$	$-5\% < CV \leq 0\%$
Marginal/Unsatisfactory	$(CV + SV) \leq -5\%$	$CV, SV \leq -5\%$

1. **(A) Cost.** The cost measure will track the Laboratories' performance in executing projects in accordance with an approved and validated project cost baseline.

$$CV = \frac{\text{Cumulative CV}}{\text{Cumulative BCWP}} \times 100\%$$

Given: $CV = BCWP - ACWP$
 $CV = \text{Cost Variance}$
 $BCWP = \text{Budgeted Cost of Work Performed}$
 $ACWP = \text{Actual Cost of Work Performed}$

- (B) Schedule.** The schedule measure will track the Laboratories' performance in executing projects in accordance with an approved overall schedule.

$$SV = \frac{\text{Cumulative SV}}{\text{Cumulative BCWS}} \times 100\%$$

Given: $SV = BCWP - BCWS$
 $SV = \text{Schedule Variance}$
 $BCWS = \text{Budgeted Cost of Work Scheduled}$
 $BCWP = \text{Budgeted Cost of Work Performed}$

Status

Section B - Performance Objectives, Criteria and Measures for Operations & Administration

Part II - Operations

II - 2 Environment, Safety & Health

Preamble

The Laboratory's goal is to accomplish its mission cost-effectively while striving for an injury-free workplace, minimizing waste streams and avoiding adverse impacts to the environment from its operations.

The following Performance Objective, Criteria and Measures are linked to the Guiding Principles and Key Functions of Integrated Safety Management. They include process oriented measures that are intended to assess key elements of the Laboratory's integrated safety management system. They also include total system outcome measures which are intended to be key indicators of the performance of the Laboratory's integrated safety management system as a whole.

Performance Objective #1

Do work safely - The Laboratory systematically integrates ES&H into management and work practice at all levels so that missions are accomplished while protecting the worker, the public and the environment.

Process Performance Measures (Weight = 40%)

Criteria:

- 1.1 **Management Defines the Scope of Work Such That** (ISMS Core Function #1)
- Line management is responsible for the protection of the public, the workers, and the environment (ISMS Principle #1)
 - Clear and unambiguous lines of authority and responsibility for ensuring ES&H are established and maintained at all organizational levels within the Laboratory. (ISMS Principle #2)
 - Resources are effectively allocated to balance programmatic, operational, and ES&H considerations. Protecting the public, the workers, and the environment is a priority whenever activities are planned and performed. (ISMS Principle #4)
- (Weight = 8%)**

Performance Measures:

- 1.1.a **Management Integration of ES&H**
- On an annual basis, a senior management team including the head of the ARO at LLNL, line management, and ES&H managers will evaluate the results of the cumulative set of internal and external reviews that were conducted during the previous year. This team will assess the extent of management commitment, integration, and responsibility as defined in the bullets listed under Criteria 1.1. The team will identify potential areas for improvement.
- (Weight = 8%)**

Appendix F - Objective Standards of Performance

Assumptions:

- For FY98 the performance period is July 1, 1997 through June 30, 1998.
- Internal and external reviews include incident investigations, directorate self-assessment reports, regulatory inspections and ARO appraisals, etc.
- It is envisioned that the team will prepare a short (3-6 page) report with their potential areas for improvement and discussion.

Gradient:

Good:

- The Laboratory prepared the report and was conscientious in its effort to identify issues. Senior management was involved in reviewing the issues and determining priorities.

Excellent:

- The Laboratory proactively responded to the results of the review.

Outstanding:

- The Laboratory has established a consistent record of proactively responding to results.

Criteria:

Performance Measures:

- 1.2 **Protection & Prevention Involves Analyzing the Hazards and Developing and Implementing Controls Such That** (ISMS Core Function #2 and #3):
- Before work is performed, associated hazards are evaluated and Laboratory administrative and engineering controls are established to provide adequate assurance that the workers, the public and the environment are protected from adverse consequences (ISMS Principle #5).
 - The controls to prevent and mitigate hazards are tailored to the hazards and the work being performed (ISMS Principle #6).
- (Weight = 9%)**

- 1.2.a **Hazard Analysis**
- The Laboratory's process for analyzing hazards and implementing appropriate controls prior to starting work, is evaluated to determine how well it is implemented and how effective it is.
- (Weight = 9%)**

Assumptions:

- For FY98 the performance period is July 1, 1997 through June 30, 1998.
- The evaluation will be done by taking a sample of operations and comparing the OSP and FSP for that operation to the Laboratory's requirements. For LLNL, 5% of the FSPs (4-5) and the OSPs (10-20) will be evaluated.
- The evaluation team will include the ARO at LLNL line management, and technical experts in environment, health and safety who were not involved in the OSP or FSP for the operation.

Appendix F - Objective Standards of Performance

Gradient:

- The gradient will be based on the summation of the percentage of hazards correctly identified, the percentage of controls implemented, and the percentage of controls that were effective.

Good:

- The combined percentage is between 70-80%.

Excellent:

- The combined percentage is between 80-90%.

Outstanding:

- The combined percentage is between 90-100%.

Criteria:

- 1.3 **Operational Requirements Guiding the Performance of Work Are Such That** (ISMS Core Function #4):
- Personnel possess the experience, knowledge, skills, and abilities to discharge their responsibilities (ISMS Principle #3).
 - The conditions and requirements for operations to be initiated and conducted are established (ISMS Principle #7).
- (Weight = 8%)**

Assumptions:

- For FY98 the performance period is July 1, 1997 through June 30, 1998.
- The data sets include a number of higher risk facilities, a subset of the worker groups within those facilities, and a set of institutional training requirements.
- Gradients are based on risk based compliance levels with institutional ES&H training requirements in each data set.

Gradient:

Good/Excellent/Outstanding:

- Laboratory meets specific improvement goals and success criteria that were established in conjunction with the local DOE office by October 31 of the rating year.

Performance Measures:

- 1.3.a **Institutional ES&H Training**
- The Laboratory will build upon the 1995 baseline by establishing and meeting: success criteria based on the specific improvement goals or staying at desired levels that are specific to the Laboratory.
- (Weight = 8%)**

Appendix F - Objective Standards of Performance

Criteria:

Performance Measures:

- 1.4 **Continuous Improvement to Achieve Excellence in ES&H is Accomplished Through Such Approaches As (ISMS Core Function #5):**
- Self assessment
 - Lessons learned
 - Collaboration and peer review
 - Benchmarking key outcomes and processes to "Best in Class" in the private sector to establish cost effective performance goals
 - Improved understanding between DOE and the Laboratory
- (Weight = 15%)**

- 1.4.a **Integrated Self-Assessment Program**
- The Laboratory maintains a self-assessment program which identifies both strengths and areas for improvement. A sample of the self-assessment program will be reviewed for effectiveness. The sample will evaluate four directorates against the Laboratory's Self-Assessment Program Plan and the directorate's Plan.
- (Weight = 10%)**

Assumptions:

- For FY98 the performance period is July 1, 1997 through June 30, 1998.
- By May 1, the Laboratory and local DOE office will mutually select the directorates to be assessed by the Laboratory, UC and DOE.
- The DOE evaluation will be conducted as part of the annual oversight appraisal.
- The LLNL Self-Assessment Program is contained in the Health and Safety Manual Supplement 2.04.
- Each directorate at LLNL has their own self-assessment plan that they would be evaluated against.
- Following the 7/31/98 roll-up, the ARO will determine by a review of the institutional DefTrack database all of the Priority 1, 2, and 3 deficiencies identified between 1/1/97-12/31/97 and calculate the percentage of these items completed by 6/30/98. ('Item date' will be used to determine relevant items. 'Complete,' 'Closed,' and 'Archived Closed' items will be counted as 'Complete.')

Gradient:

Good:

- The plans have been reviewed on an annual basis as required.
- Organizational elements and facilities to be included in the assessment are stated in the plan.
- A summary of the hazards are identified and listed for each facility and operation for that assessment period
- At least 80% of the formal self-assessments scheduled during the performance period have been completed and reports issued.
- At least 80% of the corrective actions have been completed on schedule.

Excellent:

- At least 90% of the formal self-assessments scheduled during the performance period have been completed and reports issued.
- At least 90% of corrective actions have been completed on schedule.

Outstanding:

- One hundred percent (100%) of the formal self-assessments scheduled during the performance period have been completed and reports issued.
- Corrective actions are consistently completed on schedule.
- Informal self-assessments are documented according to the directorates' plans

Appendix F - Objective Standards of Performance

- Inspections and reviews on behalf of the directorate have been conducted to assess compliance.

Performance Measures:

1.4.b Medical and Safety/Health Integration

The Laboratory continuously improves the quality of the coordination and information between the Hazards Control and Health Services professionals and Laboratory supervisors and managers.

(Weight = 5%)

Assumptions:

- For FY98 the performance period is July 1, 1997 through June 30, 1998.
- The long term goal of this performance measure is to improve primary prevention and to enhance secondary prevention capabilities (early detection and intervention, minimization of adverse health effects, and implementation of corrective actions).
- The Peer Review and Improvement Process will be refined and used by Laboratory Medical Directors, Health and Safety Managers and line managers.
- DOE will be invited to participate in the Peer Review and Improvement Process. Medical confidentiality will be maintained in the process. "Peers" are the Medical Directors or their designate and a representative health and safety manager from each of the three Laboratories.

Gradient:

Good:

- A quality baseline peer review is completed by June 30, 1998. The peer review report includes both qualitative and quantitative evaluations.
- Broad objectives and specific objectives for the Laboratory are developed

Excellent:

- The Laboratory meets its milestones for the specific objectives.

Outstanding:

- Improved coordination among the health and safety professions and integration with Laboratory line managers and operations results in successful interventions.

Appendix F - Objective Standards of Performance

Total System Outcome Performance Measures
(Weight = 60%)

Criteria:

- 1.5 **System Performance Measures**
The performance of the Laboratory's Integrated System Management as a whole is evaluated by these nine measures.
(Weight = 60%)

Performance Measures:

- 1.5.a **Radiation Dose to Workers**
Occupational external and tritium (excluding accidental exposure and/or intake) radiation doses from DOE operations will be managed to assure that doses are kept as low as reasonably achievable.
(Weight = 8%)

Assumptions:

- For FY98 the performance period is January 1, 1997 through December 31, 1997.
- Any actual or anticipated significant change in workloads (interpreted to be an increase or decrease of 10% or more) that would affect radiation doses will be brought to the attention of UC and DOE and appropriate adjustments will be made.
- The Laboratory will define any change in its "site control level" for collective dose in coordination with its local DOE office by October 1 for use during the following calendar year.

Gradient:

Good:

- All individual doses are below 10 CFR 835 limits.
- Collective dose is within 20% of the Laboratory's three year running average.

Excellent:

- Collective dose is reduced below the Laboratory's three year running average.

Outstanding:

- The collective dose is below the "site control level".

Performance Measures:

- 1.5.b **Radiation Dose to the Public**
Public radiation doses to the maximally exposed individual from DOE operations will be measured or calculated and controlled to assure that doses are kept as low as reasonably achievable.
(Weight = 5%)

Assumptions:

- For FY98 the performance period is January 1, 1997 through December 31, 1997.
- Any actual or anticipated significant change in workloads (interpreted to be an increase or decrease of 10% or more) that would affect radiation doses will be brought to the attention of UC and DOE and appropriate adjustments will be made.

Appendix F - Objective Standards of Performance

Gradient:

Good:

- Federal limits are not exceeded.

Excellent:

- Maximally exposed individual dose is within at least 10% of the site's three year running average.

Outstanding:

- Public dose is maintained below 1 mrem.

Performance Measures:

- 1.5.c **Internal Exposure to Radiation and Skin or Clothing Contaminations**
Unplanned internal exposures to radioactive material and ORPS reportable occurrences of skin or personal clothing contamination are managed and minimized.
(Weight = 7%)

Assumptions:

- For FY98 the performance period is January 1, 1997 through December 31, 1997.
- Three levels of severity of the events are to be considered in the evaluation. The weighting levels from high to low severity are: intakes of greater than 100 mrem, skin contamination, then clothing contamination.
- Data for this measure is reported as the number of occurrence or exceedence events.
- Some variability is expected which may not be indicative of a trend.

Gradient:

Good:

- The number of uptake incidents are controlled to two or three per year and the number of contamination incidents are controlled to between seven and nine per year.

Excellent:

- The number of uptake incidents are controlled to one per year and the number of contamination incidents are controlled to between four to six per year.

Outstanding:

- The number of uptake incidents are controlled to zero per year and the number of contamination incidents are controlled to between zero and three per year.

Appendix F - Objective Standards of Performance

Performance Measures:

1.5.d Exposure to Chemical, Physical and Biological Agents

The Laboratory evaluates operations and prevents employee exposures to "industrial hygiene-type" hazards.

(Weight = 7%)

Assumptions:

- For FY98 the performance period is July 1, 1997 through June 30, 1998.
- "Action level" is defined as one-half of 8-hour TWA, STEL and Ceiling for the OSHA PEL
- , ACGIH TLV[®], unless a different action level is specified by OSHA.
- Data for this measure is reported as the number of occurrences or exceedances versus the number of measurements taken.
- Some variability is expected which may not be indicative of a trend. Changes in operational levels or volumes shall be considered fully.
- Applicable exposures above the OSHA PELs resulting from an accident will be evaluated by the local DOE office and the Laboratory and may be addressed separately.
- An exposure measurement shall be defined as "one or more samples associated with an operation that give a value which can be compared with a standard."
- Exposure measurements will be corrected by the protection factor of the personal protective equipment in use.
- An exceedance is one or more high results (measurements above the current tiered approach of action level, TLV, and then PEL) associated with an operation. When no standard has been developed for a stressor, another published occupational health standard will be agreed upon and utilized.
- Types of hazards for which the measurements would be considered are: indoor air quality, noise, radio frequency, chemicals, gases, particulates and fibers. Note: swipe samples are not included.
- An operation is an activity comprised of one or more tasks performed at a single location that generate a hazard(s). "Hazard" includes all stressors associated with an operation; i.e., noise, lead, etc. Note: Any significant process changes constitute a new operation.

Gradient:

Good:

- The ratio of measurements indicating an exposure to toxic materials or physical agents above the OSHA PEL per total measurements made is 0.1 or less.

Excellent:

- The ratio of measurements indicating an exposure to toxic materials or physical agents exposures above the ACGIH TLV[®] per total measurements made is 0.1 or less.

Outstanding:

- The ratio of measurements indicating an exposure to toxic materials or physical agents above the action level per total measurements made is 0.1 or less.

Appendix F - Objective Standards of Performance

Performance Measures:

- 1.5.e **Injury and Illness Frequency and Severity**
Lab-wide severity and frequency rates for all accidents and injuries are reduced to acceptable levels.
(Weight = 7%)

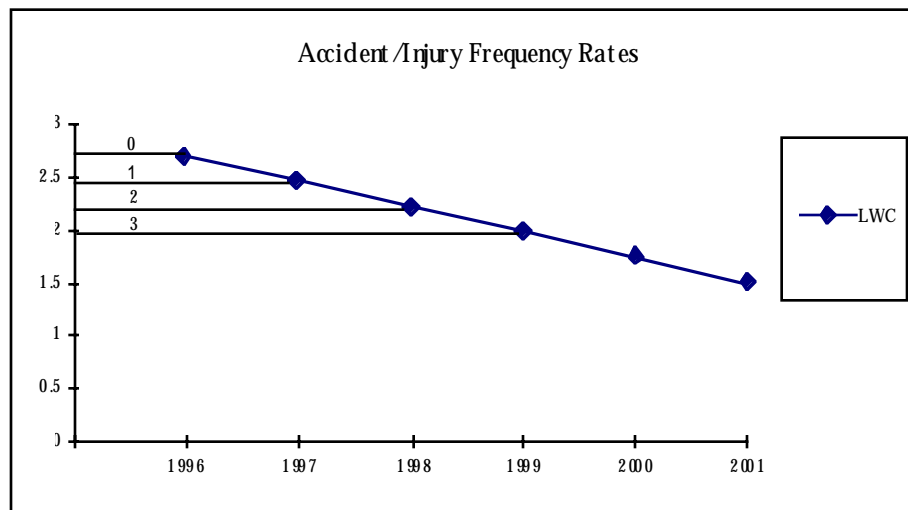
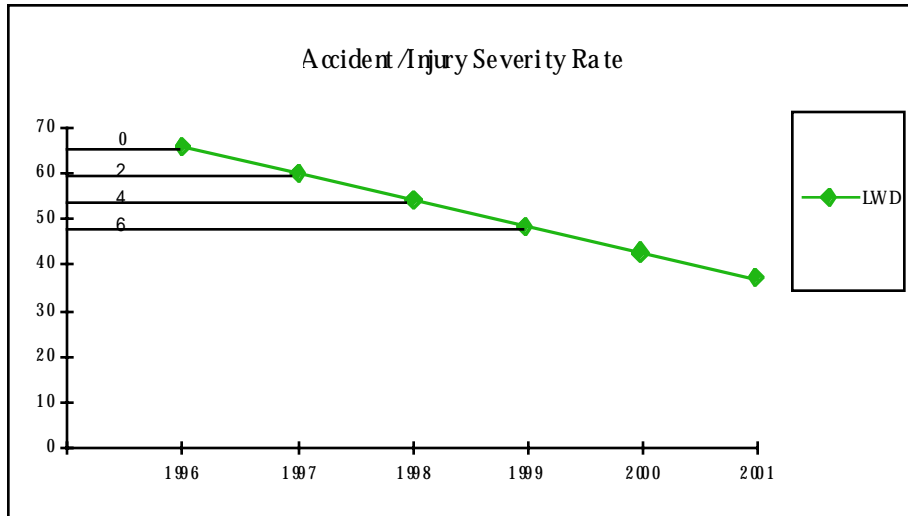
Assumptions:

- For FY98 the performance period is January 1, 1997 through December 31, 1997.
- For 1996 the Laboratory's illness and injury rates for all employees (including security and construction employees) were 2.7 for the frequency (LWC) and 66 for the severity (LWD). The Laboratory's five year goal starting in 1997 (FY98) is to reduce these rates to the 1996 mean rates for the DOE complex (1.5 for frequency and 36.5 for severity).
- It is recognized that an initial increase may be experienced whenever a new prevention program is introduced and that some variability is expected which may not be indicative of a trend. This increase is more likely to be evidenced in the frequency rate. Additionally, DOE, LLNL and UC do not want to discourage employees from reporting injuries. Therefore, the gradients for this measure weight the rate for severity as twice as important as the rate for frequency.
- Frequency is defined as the rate of lost and restricted workday cases per 200,000 hours worked.
- Severity is defined as the rate of lost and restricted workdays per 200,000 hours worked.
- Laboratory statistics will be collected for the baseline population previously defined. It is envisioned that the population will be slightly different for each Laboratory.
- Subcontractor operations and personnel are included if the subcontractor is performing part of the Laboratory's operations. Subcontractors are excluded if they are "servicing" the Laboratory (e.g., copy machine vendors or transient construction workers covered under 29 CFR 1926).

Appendix F - Objective Standards of Performance

Gradient:

Progress toward reduction goals are evaluated using the following charts:



Good:

- The frequency (LWC) and severity (LWD) rates for 1997 are compared to the chart and scored. The sum of the two scores is 2,3.

Excellent:

- The frequency (LWC) and severity (LWD) rates for 1997 are compared to the chart and scored. The sum of the two scores is 4,5,6.

Outstanding:

- The frequency (LWC) and severity (LWD) rates for 1997 are compared to the chart and scored. The sum of the two scores is 7 or higher.

Performance Measures:

Appendix F - Objective Standards of Performance

1.5. f Occupational Safety and Health Findings and Violations

Hazards are recognized during Occupational Safety and Health assessments, and serious and imminent danger situations are appropriately mitigated.

(Weight = 4%)

Assumptions:

- For FY98 the performance period is July 1, 1997 through June 30, 1998.
- Imminent Danger situations and Serious violations are as defined by the OSHA Field Inspection Reference Manual and by Section 13(a) of the Occupational Safety and Health Act.
- The performance measure allows time for dialogue, on a case-by-case basis, to determine whether a violation is to be classed as "serious."
- Subcontractor operations are included if the subcontractor is performing part of the Laboratory's operations.

Gradient:

Good/Excellent/Outstanding:

- Imminent danger situations are mitigated immediately upon discovery.
- All serious violations are mitigated or corrected within 5 working days or an agreed-upon schedule.

Performance Measures:

1.5.g Process and Solid Waste Generation (Waste Reduction and Recycling)

The Laboratory continues to progress towards meeting the DOE's pollution prevention goals for the year 2000.

(Weight = 8%)

Assumptions:

- For FY98 the performance period is January 1, 1997 through December 31, 1997.
- DOE's pollution prevention goals by waste type, that are measured by this performance measure, are defined as follows:
 - Reduce by 50% the generation of radioactive waste (defined as TRU and LLW) from routine operations
 - Reduce by 50% the generation of low-level mixed waste from routine operations
 - Reduce by 50% the generation of hazardous waste from routine operations
 - Reduce by 33% the generation of nonhazardous waste from routine operations
 - Recycle 33% of nonhazardous waste
- CY93 waste generation quantities will be used as a baseline for measuring waste reductions. (CY94 will be used for nonhazardous waste at LLNL)
- Recycling, reuse and exchange are considered to be a method of waste minimization and will be tracked.
- Any significant new project, activity or increase in workload will be evaluated for pollution prevention/waste minimization opportunities. After pollution prevention/ waste minimization opportunities are implemented for a new project or activity, the resulting new waste stream will not be included in the waste reduction calculation.
- Cleanup and stabilization waste (including environmental restoration waste, stabilization of nuclear and nonnuclear materials, and deactivation and decommissioning of facilities), legacy, construction debris and USEC (Building 490 AVLIS) waste will not be included in

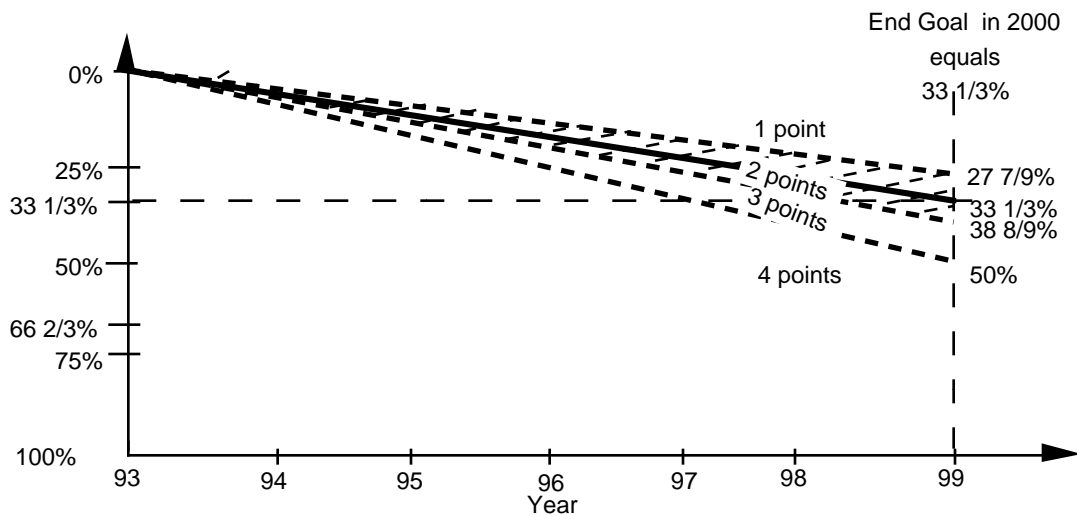
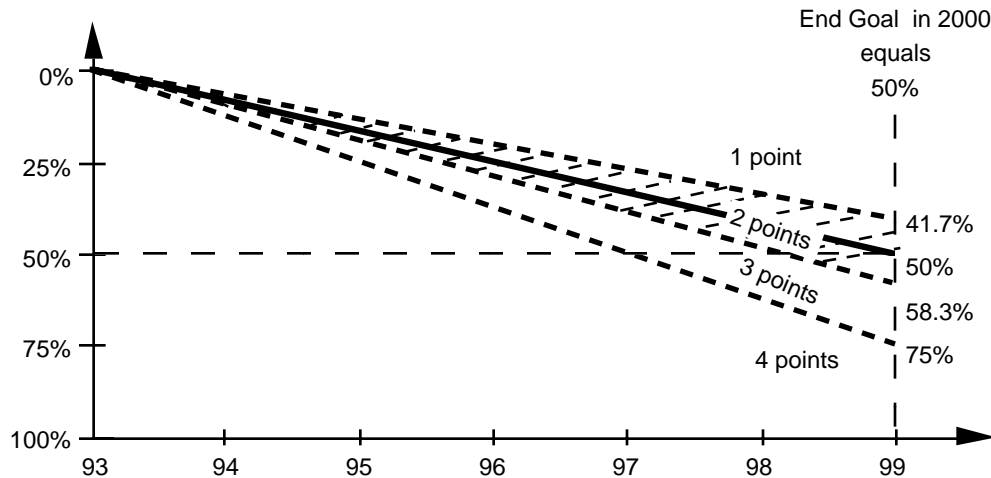
Appendix F - Objective Standards of Performance

the calculations for meeting the waste reduction goals but will be included in the discussion on meeting the recycling goal.

- Waste generation will be reported and measured in the same way that it has been reported for this performance measure in previous years.

Gradient:

Progress toward reduction goals are evaluated by using the following chart or progress on an agreed- to "waste type" reduction plan:



Appendix F - Objective Standards of Performance

Good:

- A reduction in generation of each waste type is calculated and scored (1 to 4 points) then summed. The sum for the four waste types is 7, 8 or 9 points.

Excellent:

- A reduction in generation of each waste type is calculated and scored (1 to 4 points) then summed. The sum for the four waste types is greater than 9 points but less than 12.

Outstanding:

- A reduction in generation of each waste type is calculated and scored (1 to 4 points) then summed. The sum for the four waste types is greater than 12 points and less than 16.
- The types and amounts of wastes and materials recycled and/or reused onsite or offsite is scored and graphed with a resulting score of 3 or 4.

Performance Measures:

1.5.h **Environmental Violations**

The rate of validated environmental violations resulting from inspections by regulatory agencies is kept low.

(Weight = 7%)

Assumptions:

- For FY98 the performance period is January 1, 1997 through December 31, 1997.
- Changes in regulatory procedures after the 1993 base year that increase or decrease the level of occurrence reporting shall be brought to the attention of UC and DOE as soon as possible and adjustments made to the base year figure, as appropriate.
- All uncontested violations and findings from inspections will be counted. Contested violations will not be reported. "Validated" means after the Laboratory and DOE agree that it is a violation. Violations from releases are addressed in 2.1.b and violations unrelated to an inspection are not counted.
- Data will be normalized to a rate based on number of environmental inspections the Laboratory experiences by reporting the number of uncontested violations per inspection. The trending will be done on the number of violations in a calendar year.

Gradient:

Good:

- The rate of violations per inspection is within 20% of the baseline year (0.6 or less).

Excellent:

- The rate of violations per inspection is reduced more than 20% from the baseline year (0.4 or less).

Outstanding:

- The Laboratory receives no violations during the year.

Appendix F - Objective Standards of Performance

Performance Measures:

1.5. i Environmental Releases

The Laboratory controls occurrences of environmental releases exceeding regulatory or permitted levels imposed by local, state or federal agencies.

(Weight = 7%)

Assumptions:

- For FY98 the performance period is January 1, 1997 through December 31, 1997.
- Tracking and trending will not include reports of excursions that do not exceed regulatory requirements because these excursions are within compliance limits. Releases are defined as occurrences reportable under ORPS.

Gradient:

Good:

- The number of occurrences of environmental releases are within 20% of the average of the previous three years.

Excellent:

- The number of occurrences of environmental releases is reduced to below the average for the previous three years.

Outstanding:

- The number of occurrences of environmental releases experienced by the Laboratory is fewer than 50% of the average number of occurrences for the previous three years.

Appendix F - Objective Standards of Performance

Section B - Performance Objectives, Criteria and Measures for Operations & Administration

Part II - Operations

II - 3 Facilities Management

Performance Objective #1 Real Property Management

The Laboratory will effectively manage Real Property.
(Weight = 5%)

Criteria:

- 1.1 Real Property Management**
Real property is effectively managed consistent with mission, requirements, and DOE direction.
(Weight = 5%)

Assumptions:

Intent is to measure the effectiveness, completeness, and timeliness of implementation of Real Property management actions. Milestones will be established in partnership with DOE and made a matter of record in the first month of the fiscal year. Milestones may be established for Facilities Information Management System completeness, office space utilization, substandard building space conversion, facility leases, etc.

Gradient:

Outstanding - 0.90
Excellent - 0.80
Good - 0.70
Marginal/Unsatisfactory - less than 0.70

Performance Measures:

- 1.1.a Program Implementation**
Number of completed milestones/milestones scheduled for completion.
(Weight = 5%)

Appendix F - Objective Standards of Performance

Performance Objective #2 Physical Assets Planning

The Comprehensive Integrated Planning Process should reflect current and future Laboratory needs.
(Weight = 14%)

Criteria:

2.1 Comprehensive Integrated Planning Process

The Laboratory develops, documents, and maintains a comprehensive integrated planning process that is aligned with DOE mission needs.
(Weight = 14%)

Assumptions:

The Laboratory will work with DOE counterparts in a cooperative effort to continuously evaluate the effectiveness of the comprehensive land-use planning process through the development of Laboratory specific planning elements. Site specific planning elements will be made a matter of record in the first month of the fiscal year.

Gradient:

Outstanding - 0.90

Excellent - 0.80

Good - 0.70

Marginal/Unsatisfactory - less than 0.70

Performance Measures:

2.1.a Effectiveness of Planning Process

Assess how the planning process is executed to achieve maximum effectiveness in anticipating and articulating DOE and Laboratory needs.
(Weight = 14%)

Appendix F - Objective Standards of Performance

Performance Objective #3 Project Management

The Laboratory will complete construction projects within approved budgets and schedules.
(Weight = 33%)

Criteria:

Performance Measures:

- 3.1 **Construction Project Performance**
Construction projects greater than \$500K (regardless of type of funds) achieve schedule, and performance objectives.
(Weight = 20%)

- 3.1.a **Work Performed**
Number of milestones completed/number of milestones planned for completion.
(Weight = 20%)

Assumptions:

The intent is to measure actual progress against that planned for the fiscal year and for the Laboratory to execute projects and cost project funds in a timely manner. A milestone list for all active projects will be negotiated with DOE and made a matter of record in the first month of the fiscal year. Only significant milestones will be listed, but each active project will have at least one milestone per year. By mutual agreement between the Laboratory and DOE, milestones may be weighted for significance and/or for late/early completion. Negotiated milestones are not to be interpreted as baseline change approval. Milestones must be consistent with either approved or proposed baselines. Completion is defined as Critical Decision 4, construction completion or beneficial occupancy, as mutually agreed.

Gradient: (LBNL/LLNL)

Outstanding - 1.00
Excellent - 0.90
Good - 0.80
Marginal/Unsatisfactory - less than 0.80

Gradient: (LANL)

Outstanding - 1.00
Excellent - 0.95
Good - 0.90%
Marginal/Unsatisfactory - less than 0.90

Criteria:

Performance Measures:

- 3.2 **Construction Project Cost**
Line-Item projects (including any project \$2000K and over regardless of type of funds) meet cost baselines.
(Weight = 13%)

- 3.2.a **Total Estimated Cost (TEC)**
Estimated cost at completion for all active projects/performance baseline TEC for all active projects. **(Weight = 13%)**

Assumptions:

The intent is to measure Laboratory performance in executing projects within the approved TEC. The performance baseline is the original approved baseline adjusted for allowed cost or work scope changes. DOE determines whether cost or work changes are allowed. The method of calculating estimated cost at completion and how to handle contingency will be made a matter of record in the first month of the fiscal year. Disposition of pending Baseline Change Proposals, for the purposes of this measure, will be made by mutual agreement in the tenth month of the fiscal year. By mutual agreement between the Laboratory and DOE, projects may be weighted for significance.

Appendix F - Objective Standards of Performance

Gradient:

Outstanding - 0.96

Excellent - 0.98

Good - 1.00

Marginal/Unsatisfactory - greater than 1.00

3.3 Project Delivery Cost

Project delivery costs for construction projects greater than \$500K are managed effectively.

(Weight = 0%)

3.3.a Design/Construction Services

Total project delivery costs/total construction costs for construction projects.

(Weight = 0%)

Assumptions:

The intent is to measure project delivery costs as a percentage of estimated or actual construction costs. Projects to be measured are those with a TEC greater than \$500K that are scheduled to complete design and/or construction in FY98. The intent is to measure completed design and construction services costs versus estimated or actual construction costs. Design and construction services costs will be calculated and tracked separately, but consolidated for reporting under this measure. Design services costs to be tracked will include all costs (including burdens, G&A, etc.) associated with the following: Titles I & II Design, Design/Engineering services, Design-phase Project Management, Laboratory Design Review & Support, and all other costs (costs not in one of these categories) directly associated with project design. Construction services costs will include all costs (including burdens, G&A, etc.) associated with the following: Title III Design/Engineering, Construction-phase Project/Construction Management, Construction-phase Laboratory Services & Support, and all other costs (costs not in one of these categories) directly associated with the construction phase of the candidate projects. A mutually agreed list of projects will be made a matter of record in the first month of the fiscal year. Measure not applicable to LBNL and LLNL.

Gradient:

Track and trend.

Appendix F - Objective Standards of Performance

Performance Objective #4 Maintenance

The Laboratory will maintain capital assets to ensure reliable operations in a safe and cost-effective manner.

(Weight = 33%)

Criteria:

Performance Measures:

4.1 Facility Management

Facility operations and maintenance are effectively managed consistent with mission, risks, and costs.

(Weight = 13%)

4.1.a Program Implementation

Sum of completion percentages for all milestones worked/milestones scheduled for completion.

(Weight = 13%)

Assumptions:

Intent is to measure the effectiveness and timeliness of the Laboratory's facility maintenance program. A list of mutually agreed milestones will be made a matter of record in the first month of the fiscal year. For multiple-facility milestones, completion percentage will be an average of the completion percentages for each facility included in the milestone. High hazard and nuclear facilities milestones will be weighted for significance. At LANL, milestones will be established in partnership with the Facility Management Council. Maintenance Implementation Plan (MIP) milestones and remaining milestones of the Maintenance Program Milestones Agreement of July 1993 will be included in this measure.

Gradient:

Outstanding - 105%

Excellent - 100%

Good - 95%

Marginal/Unsatisfactory - less than 95%

4.2 Maintenance Program

The facility maintenance program is effectively managed and performed.

(Weight = 20%)

4.2.a Maintenance Index

Calculate quality performance index based on EFCOG Maintenance Performance Indicators. **(Weight = 20%)**

Assumptions:

A composite index will be calculated using a weighted average for selected performance indicators. The list of performance indicators, and the calculation algorithm will be made a matter of record in the first month of the fiscal year. Performance gradient calculations will consider "Best-in-Class" for comparable Energy Facility Contractors Group (EFCOG) benchmarking participants and the EFCOG average for comparable activities/sites.

Gradient:

Outstanding - 1.00

Excellent - 0.90

Good - 0.80

Marginal/Unsatisfactory - less than 0.80

Appendix F - Objective Standards of Performance

Performance Objective #5 Utilities/Energy Conservation

The Laboratory will maintain a reliable utility system and conserve energy. (Weight = 15%)

Criteria:

Performance Measures:

5.1 Reliable Utility Service

Maintain reliable utility service.
(Weight = 8%)

5.1.a Utility Service

Total number of customer hours of utility service less the number of customer hours of unplanned outages/total customer hours.
(Weight = 8%)

Assumptions:

Unplanned outages that are caused by occurrences outside the boundary of the Laboratory's utility system may be excluded. Utilities to be measured, with assigned weights will be made a matter of record in the first month of the fiscal year. Definition of "Customer Hours" will be defined separately for each utility measured. A 12-month running average will be reported.

Gradient: (LBNL/LLNL)

Outstanding - 99.995%
Excellent - 99.990%
Good - 99.982%
Marginal/Unsatisfactory - less than 99.982%

Gradient: (LANL)

Outstanding - 99.971%
Excellent - 99.941%
Good - 99.883%
Marginal/Unsatisfactory - less than 99.883%

5.2 Energy Consumption

Effectively manage energy usage.
(Weight = 2%)

5.2.a Building Energy

The reduction in energy usage from FY85 levels in BTUs per gross square feet of building expressed as a percent of FY85 energy usage.
(Weight = 2%)

Assumptions:

Reduction for FY98 interpolated from the DOE goal of a 30% reduction from FY85 levels by FY2005.

Gradient:

Outstanding - 25%
Excellent - 22%
Good - 19%
Marginal/Unsatisfactory - less than 19%

Appendix F - Objective Standards of Performance

Criteria:

Performance Measures:

5.3 Energy Management

Energy initiatives are managed consistent with a comprehensive energy management plan.

(Weight = 5%)

5.3.a Energy Goals

Energy goals accomplished/goals scheduled to be accomplished in accordance with the plan.

(Weight = 5%)

Assumptions:

The energy management plan will be made a matter of record in the first month of the fiscal year. Areas to be addressed in the plan are: (1) surveys and inspections for identifying cost effective energy and water conservation measures, including completion of Comprehensive Facility Audits by March 2004, energy conservation in surplus facilities, identification of low cost opportunities and solar/renewable energy applications; (2) completion of FEMP funded studies within budget and within one year of funding; (3) progress toward installing all cost-effective energy and water conservation measures identified by Comprehensive Facility Audits, by January 2005; (4) completion of FEMP funded retrofit projects within schedule and within two years of funding; (5) design and construction of new buildings and building alterations according to federal energy Reports and building commissioning; (6) provisions for cost effective energy and water conservation in real property leases; (7) use of alternative project financing, including Energy Savings Performance Contracts and demand-side management programs; (8) energy management training; (9) employee awareness; and, (10) procurement of energy efficient and water saving products.

Gradient:

Outstanding - 0.95

Excellent - 0.85

Good - 0.75

Marginal/Unsatisfactory - less than 0.75

Note: Plans, lists, and milestones made a matter of record in the first month of the fiscal year may be revised during the year by mutual agreement between the Laboratory and DOE.

Section B - Performance Objectives, Criteria and Measures for Operations & Administration

Part II - Operations

II - 4 Safeguards and Security

Performance Objective #1 Protection of Assets

The Laboratory will conduct Safeguards and Security operations to ensure effective protection of national security interests, proprietary information, personnel, property and the general public.

(Weight = 65%)

Criteria:

- 1.1 **Protection of Nuclear Materials**
The nuclear materials safeguards and security program shall ensure that nuclear material is protected, is in its assigned location, that any unauthorized removal is detected, and response to anomalies is provided.
(Weight = 45%)

Performance Measures:

- 1.1.a **MC&A Physical Inventory**
Percentage of time all items are in their stated location and correctly identified, as described in the gradients.
(Weight = 10%)

Assumptions:

"Authorized Location" is defined by the organization and identified on MASS for LANL and on COMATS for LLNL. An "identified location" for LLNL is synonymous with "authorized location" as used by LANL.

The level of difficulty for LANL and LLNL gradients is equivalent, but the gradients are constructed to reflect differences in inventory operations.

"Correctly Identified" means an item label consisting of the material balance area (MBA), material type and lot identification, or as specified in the currently approved MBA operating procedure. The accounting system and label must agree to be considered correctly identified.

LLNL does a shut down inventory

LANL does a working inventory.

During a working inventory, items are allowed to move; therefore, the listing used by auditors may not coincide with the actual location of the item. This is acceptable so long as a transaction on MASS has been performed and the auditor verifies the new location for the item during the course of the inventory.

The time frame for locating items begins as soon as the first inventory attempt fails to locate the item.

Gradient:

LANL Gradients

- Outstanding: All items are in their authorized location and correctly identified the first inventory attempt 99 percent of the time.
- Excellent: All items are located within four hours and correctly identified 99 percent of the time.
- Good: All items were located within eight hours and correctly identified 99 percent of the time.

Appendix F - Objective Standards of Performance

Appendix F - Objective Standards of Performance

LLNL Gradients

- Outstanding: 99.5 percent of the SNM items are in their identified location and correctly identified.
- Excellent: 99.3 percent of the SNM items are in their identified location and correctly identified.
- Good: 99.0 percent of the SNM items are in their identified location and correctly identified.

Performance Measures:

- 1.1.b **Protected Area Intrusion Detection Capability**
 Provide assurance that protected area intrusion detection systems will detect unauthorized penetration.
(Weight = 10%)

	Test Program Frequency		
	Annual	Semi-Annual	Quarterly
	40	44	49
	30	34	39
Probability of Detections Results	20	24	29

Probability of Detection Results	Test Program Frequency
Equal/Greater Than 99% Detection Probability = 30pts	Quarterly Test Program = 19 pts
Equal/Greater Than 95% Detection Probability = 20pts	Semi-Annual Test Program = 14 pts
Equal/Greater Than 90% Detection Probability = 10pts	Annual Test Program = 10pts

Assumptions:

The intent of this measure is to ensure that the Laboratories meet minimum DOE requirements for maintaining a Probability of Detection (PD) of 90%, with a confidence level of 95%. Testing of the system is required annually. The 90% percent PD rate and annual test requirement are set forth in DOE Manual 5632.1C-1, Chapter VI, page 3, para 4.b.

Using the matrix above, a "Good" score of 20 points would be awarded by achieving a 90%-94% probability of detection (worth 10pts) and conducting the testing at least once per year (worth 10 pts). Increasing the PD rate, or increasing the confidence in the system by conducting more frequent tests, results in a higher score and greater assurance that the protected area intrusion detection system will detect unauthorized penetrations.

Gradient:

- Outstanding: 40+pts
- Excellent: 30-39pts
- Good: 20-29pts

Appendix F - Objective Standards of Performance

Performance Measures:

- 1.1.c **Protected Area Entry Control System**
 Entry control systems will ensure only authorized personnel enter protected area portals.
(Weight = 5%)

Probability of Detections Results	Test Program Frequency			
		Annual	Semi-Annual	Quarterly
	99%	40	44	49
	95-98%	30	34	39
	90-94%	20	24	29

Probability of Detection Results	Test Program Frequency
Equal/Greater Than 99% Detection Probability = 30pts	Quarterly Test Program = 19 pts
Equal/Greater Than 95% Detection Probability = 20pts	Semi-Annual Test Program = 14 pts
Equal/Greater Than 90% Detection Probability = 10pts	Annual Test Program = 10pts

Assumptions:

The intent of this measure is to ensure that the Laboratories meet minimum DOE requirements for maintaining a probability of Detection of 90%, with a confidence level of 95%. Testing of the system is required annually.

Using the matrix above, a "Good" score of 20 points would be awarded by achieving a 90%-94% probability of detection (worth 10pts) and conducting the testing at least once per year (worth 10 pts). Increasing the PD rate, or increasing the confidence in the system by conducting more frequent tests, results in a higher score and greater assurance that only authorized personnel enter protected area portals.

Gradient:

- Outstanding : 40+pts
- Excellent : 30-39pts
- Good: 20-29pts

Appendix F - Objective Standards of Performance

Performance Measures:

- 1.1.d **Protective Force Alarm Response**
Protective Force response times to SNM alarms will be equal to or less than the calculated time contained in the Site Safeguards and Security Plan (SSSP) vulnerability assessment report.
(Weight = 10%)

Assumptions:

1. Alarm response times begin the moment that the alarm response notification is announced regardless of the method or means of making the announcement.
2. Alarm response elapsed times ends when the last required responding officer is in the required position as defined in the SSSP.
3. Only planned alarm response tests will be used to validate this performance measure.
4. DOE/Operations Office approved response force time(s), as identified in the approved SSSP vulnerability assessment report (or as approved separately by the DOE Operations Office), are the only time measurement(s) to be used in this measure.
5. Each laboratory will have specific alarm response scenarios with a specified individual response force time approved for each scenario.
 - a. The total number of individual alarm response scenarios will vary according to site specific requirements of each laboratory and each scenario will be identified in the laboratory's approved SSSP vulnerability assessment report.
 - b. The number of alarm responses attempted each year are unlimited after the minimum responses are conducted as required by DOE Order.

Gradient::

- Outstanding: The response time is met more than 95% of the time .
- Excellent: The response time is met 90-95% of the time.
- Good: The response time is met 80-89% of the time.

Appendix F - Objective Standards of Performance

Performance Measures:

- 1.1.e **Protective Force Training and Performance**
The Protective Force will be trained to accomplish its assigned mission.
(Weight = 10%)

Assumptions:

Statistical sampling, at the 95% confidence level, of Protective Force personnel will be conducted annually. Assessments will use written examinations, oral interviews, limited scope performance tests, and task proficiency examinations to determine a competency rating for the mission requirement relating to Protective Force "Critical System Elements." Critical System Elements will be identified by each Laboratory and their local DOE Office. The Composite Competency Rating is the percent of Protective Force personnel passing the written examinations, oral interviews, limited scope performance tests, and task proficiency examinations.

This measure does not include engagement simulation system enhanced exercises.

Gradient:

- Outstanding: Performance tests and associated assessment techniques demonstrate a composite competency rating of 90% or higher.
- Excellent: Performance tests and associated assessment techniques demonstrate a composite competency rating of 80%-89%.
- Good: Performance tests and associated assessment techniques demonstrate a composite competency rating of 70%-79%.

Appendix F - Objective Standards of Performance

Criteria:

- 1.2 **Protection of Classified Matter**
Protection programs shall protect and control classified matter from unauthorized access, removal, damage, or destruction through the integration of security equipment, procedures, protective forces, management and supervision into a total system using design basis threat policy and local threat guidance.
(Weight = 20%)

Performance Measures:

- 1.2.a **Unauthorized Disclosure of Classified Matter (Compromises) and Infractions**
The number of unauthorized disclosures resulting in unauthorized individuals gaining access to classified matter, and the number of infractions issued, will be maintained at or below the three-year rolling average.
(Weight = 10%)

Assumptions:

A compromise is determined as a result of an inquiry mandated and articulated in DOE O470.1 and DOE M471.2.

A three-year retrospective rolling average will be established using Laboratory statistics pertaining to unauthorized disclosure of classified matter and security infractions

Gradient:

- Outstanding: The number of compromises and infractions is 20% or more below the three-year rolling average.
- Excellent: The number of compromises and infractions is 10% or more below the three-year rolling average.
- Good: The number of compromises and infractions is no greater than the three-year rolling average

Appendix F - Objective Standards of Performance

Performance Measures:

- 1.2.b **Classified Computing Programs**
Classified systems are re-accredited in a timely manner and operated consistent with accredited plans.
(Weight = 10%)

Gradient:

LANL Gradient:

- Outstanding: Final classified Automated Information System (AIS) re-accreditation documentation is certified by the Computer Security Site Manager 90 days prior to the expiration of the current accreditation date.
- Excellent: Final classified AIS re-accreditation documentation is certified by the Computer Security Site Manager 60 days prior to the expiration of the current accreditation date
- Good: Final classified AIS re-accreditation documentation is certified by the Computer Security Site Manager 30 days prior to the expiration of the current accreditation date.

LLNL Gradient:

- Outstanding: In addition to re-accreditation, 30% of the accredited systems are inspected annually to insure configuration management and compliance with accredited plan. Any necessary corrective actions are completed within an agreed upon time.
- Excellent: In addition to re-accreditation, 15% of the accredited systems are inspected annually to insure configuration management and compliance with accredited plan. Any necessary corrective actions are completed within an agreed upon time.
- Good: All systems are re-accredited every three years or when there is a security significant change.

LANL scoring

The following point system will be used:

- Certification 90 Days Prior to Expiration = 3pts = Outstanding
- Certification 60 Days Prior to Expiration = 2pts = Excellent
- Certification 30 Days Prior to Expiration = 1pts = Good
- Certification Less than 30 Days Prior to Expiration = 0pts = Marginal/Unsatisfactory

LANL Definitions

Expiration Date: The date the system will no longer be allowed to process classified without being re-certified. This date is three years from the date of accreditation.

Certification Date: The date that all Laboratory systems documentation and testing operations are complete, and the FSS-14 Computer Security Site Manager has certified to DOE that the system meets all requirements.

Appendix F - Objective Standards of Performance

Performance Objective #2 Assessments & Corrective Actions

To ensure continuous improvement, the Laboratory will conduct self assessments and implement corrective actions for self assessment and DOE identified findings, with the goal of timely and aggressive correction.

(Weight = 35%)

Criteria:

Performance Measures:

2.1 Assessments

The Safeguards and Security Program will be managed to ensure self-assessments of topical, sub-topical areas, and best management practices are completed.

(Weight = 15%)

Assumptions:

The number of self-assessments completed are only significant as they relate to the schedules established in self-assessment.

Gradient:

- Outstanding: 90% - 100%
- Excellent: 80% - 89%
- Good: 70% - 79%

2.1.a Self Assessment Completion

Percent of self-assessments completed in accordance with the schedules established in the formal self-assessment plans.

(Weight = 15%)

2.2 Corrective Action Planning

A deficiency management program will be in place to ensure corrective actions for discovered deficiencies are developed and completed in a timely fashion.

(Weight = 20%)

Assumptions:

A corrective action plan will be considered completed at the time that the action is documented.

Operations Office findings include the results of HQ/DOE Office of Security Evaluations (OSE) inspections.

When a corrective action plan is dependent upon an action, (other than a validation), that must be completed by an outside agency that the laboratory has no direct control over the subject corrective action will not be tabulated as a part of the overall percentage.

If a corrective action plan has multiple milestones and the final milestone is scheduled for completion on a date beyond the assessment period, credit for the corrective action plan being on schedule will be awarded if the last milestone that is scheduled for completion during this assessment period has been completed on schedule.

Findings that have corrective action plans with milestones that are not due within the assessment period will be assumed to be on schedule and full credit will be awarded for work in progress.

Gradient:

- Outstanding: 90% - 100%

2.2.a Corrective Action Plan Completion (DOE)

Percent of on-schedule corrective action plans resulting from Operations Office findings.

(Weight = 10%)

Appendix F - Objective Standards of Performance

- Excellent: 80% - 89%
- Good: 70% - 79%

Performance Measures:

2.2.b Corrective Action Plan Completion (Self-Assessment)

Percent of on-schedule corrective action plans resulting from internal Laboratory self-assessment findings/issues.

(Weight = 10%)

Assumptions:

A corrective action plan will be considered completed at the time that the action is documented.

Appropriate credit in the annual Operations Office Safeguards and Security Survey will be given in the topical area ratings for self-assessment issues that are being appropriately handled in a timely manner with a documented corrective action plan.

When a corrective action plan is dependent upon an action, (other than a validation), that must be completed by an outside agency that the laboratory has no direct control over the subject corrective action will not be tabulated as a part of the overall percentage.

If a corrective action plan has multiple milestones and the final milestone is scheduled for completion on a date beyond the assessment period, credit for the corrective action plan being on schedule will be awarded if the last milestone that is scheduled for completion during this assessment period has been completed on schedule.

Findings that have corrective action plans with milestones that are not due within the assessment period will be assumed to be on schedule and full credit will be awarded for work in progress.

Gradients:

- Outstanding: 90% - 100%
- Excellent: 80% - 89%
- Good: 70% - 79%

Section B - Performance Objectives
Part III - Administration
III - 1 Financial Management

Performance Objective #1 Customer Focus and Satisfaction

Financial Management's practices are customer oriented.
(Weight = 20%)

Criteria:

Performance Measures:

1.1 **Methods to Evaluate Customer Expectations**
Maintain systematic methods/programs to collect information and determine internal and external customer needs and levels of satisfaction.
(Weight = 10%)

1.1.a **Effectiveness of Methods**
Degree to which effective and systematic methods to collect, document, and use customer feedback information are defined and deployed.
(Weight = 10%)

Assumptions:

Identify internal and external customer groups. Describe what and how information is collected, frequency and methods of collection, and how the finance and budget organizations evaluate and improve their processes for determining customer satisfaction, requirements, expectations, and preferences in support of missions.

Gradient:

A Good rating is achieved by developing and implementing the capability for systematically obtaining customer feedback.

Factors that will be considered for a higher rating include how well:

- coverage of customer groups is identified
- the methods used are effective customer communication tools
- customer learning strategies have continuity and are consistently deployed
- customer feedback is used to improve products/services provided to customers

Appendix F - Objective Standards of Performance

Criteria:

- 1.2 **Customer Satisfaction**
Improved levels of customer satisfaction.
(Weight = 10%)

Performance Measures:

- 1.2.a **Customer Satisfaction Results**
Improved levels of customer satisfaction
over time.
(Weight = 10%)

Assumptions:

Describe current levels and trends in key measures and/or indicators of customer satisfaction and dissatisfaction.

Gradient:

A Good rating is achieved by demonstrating that Finance and Budget customers are generally satisfied with the products and services provided.

Factors that will be considered for a higher rating include:

- demonstrated improved or sustained high levels customer satisfaction
- customer satisfaction is maintained across most customer groups
- no general dissatisfaction exists with primary products/services provided

Appendix F - Objective Standards of Performance

Performance Objective #2 - Operational Effectiveness

Achieve cost effective and efficient financial management operations by applying available resources to continuous improvement efforts.

(Weight = 40%)

Criteria:

- 2.1 **Leadership in Improving Financial Management Efficiency and Effectiveness**
Consistent with DOE requirements and plans, take proactive leadership role to improve the financial management effectiveness and efficiency of the budget and financial processes and the financial reporting systems.
(Weight = 17%)

Performance Measures:

- 2.1.a **Quality Performance in Reporting Processes**
Budgets and financial reports and information, analyses, estimates, and proposals submitted will be evaluated for minimal time/form/ content deficiencies and incorporate budget validation and other systematic customer feedback. **(Weight = 5%)**

Assumptions:

The annual budget process and DOE routine periodic reports will be measured for timeliness and quality by measuring on-time performance. A narrative will describe the continuous process/product improvements, internal process used to validate the estimates including a discussion of the balances between programmatic and distributed budget requirements, and the proactive activities related to this Performance Measure.

Gradient:

A Good rating is achieved by meeting customer due dates and by demonstrating tangible incremental improvements in these processes and/or in the products developed.

Factors that will be considered for a higher rating include:

- reductions in cycle time and/or cost, automation improvements and initiatives
- proactive activities such as training and development of Financial Management's staff and internal customers, and coordination with other divisions/ organizations to address financial concerns
- customer feedback and other relevant information
- early submission of accurate and complete reports such as MARS/FIS, budgets, and DIMS prior to DOE's due dates.

Assumptions:

The measurement of special ad hoc DOE requests regarding budgets, financial information, analyses, estimates, and proposals submitted will include only formal written requests with deadlines of 8 or more working hours. Narrative will include customer satisfaction information from 1.1.

Gradient:

A Good rating is achieved with 90% of on-time performance with acceptable quality as determined from customer feedback.

Appendix F - Objective Standards of Performance

Factors that will be considered for a higher rating include:

- on-time performance greater than 90%
- good customer feedback
- process improvements, cost, and cycle time reductions
- handling a higher volume or more complex requests

Criteria:

Performance Measures:

- 2.1.b **Leadership in Systems Improvements**
Degree to which proactive leadership supports DOE and Laboratory initiatives for continued contractor financial systems improvements.
(Weight = 12%)

Assumptions:

Narrative will describe the Laboratory's progress in support of this criterion, using existing tools and the Financial Management Systems (FMS) plan.

Gradient:

Factors that will be considered for Good rating include:

- timeliness of the FMS plan
- efforts are directed at initiatives with the most value added
- involvement in DOE's initiatives
- progress towards short-term initiatives

Factors considered for a higher rating include:

- progress towards long-term initiatives
- proactiveness in seeking opportunities for supporting DOE initiatives
- improved capacities, capabilities, and/or cost efficiencies for other financial processes not addressed in measure 2.2
- positive customer feedback

Appendix F - Objective Standards of Performance

Criteria:

Performance Measures:

- 2.2 **Transaction Processing Improvements**
Reduce cycle times and/or costs while improving quality and accuracy for the processes identified.
(Weight = 13%)

- 2.2.a **Demonstration of Improvement**
Evaluation of improvement trends for processes selected for improvement towards best practices as compared with benchmarking information. Showcase areas of excellence.
(Weight = 13%)

Assumptions:

The Laboratory's finance and budget organizations will conduct benchmarking studies for financial processes identified in the study methodology every two years. The Laboratory will analyze the benchmarking results and select processes to be measured and improved prior to the next benchmarking study. The Laboratory will present its study findings and areas selected for improvement to its DOE customer for concurrence. Additional improvement processes may be selected in conjunction with the DOE. The Laboratory will also use the benchmarking information to select and demonstrate areas of excellence to feature in its self-assessment. The selected processes will be measured and featured in the annual self-assessments during the two years between benchmarking studies. Where necessary and appropriate, benchmarking measures will be augmented with qualitative information and other performance indicators for the selected processes.

Gradient:

A Good rating is achieved by demonstrating that selected process improvements are progressing in accordance with the Laboratory's plan.

Factors that will be considered for a higher rating include:

- process improvements resulting in performance above the benchmarking median
- processes performed close to the benchmarking study's first quartile level
- high levels of product/service quality are maintained
- effective linkage to Objective 1.0
- percent of processes maintained above the benchmarking median
- featured areas of excellence reflect outstanding performance

Appendix F - Objective Standards of Performance

Criteria:

- 2.3 **Work Force Management**
Develop a highly skilled, motivated,
empowered Financial Management work
force.
(Weight = 10%)

Performance Measures:

- 2.3.a **Effective Work Force Management**
Evaluation of processes, systems, and
initiatives related to Financial
Management work force management.
(Weight = 10%)

Assumptions:

Narrative to describe the management of processes, systems, and initiatives related to the finance and budget work force.

Gradient:

A Good rating is achieved by establishing a systematic approach to Financial work force management.

Factors that will be considered for a higher rating include:

- span of control ratios
- number and effectiveness of self-directed work teams
- merging of related functions
- training and development activities
- alignment of individual performance objectives/appraisals with Financial Management objectives

Appendix F - Objective Standards of Performance

Performance Objective #3 - Financial Stewardship and Integrity

Financial Management's practices provide for financial stewardship, including compliance and data integrity.

(Weight = 40%)

Criteria:

3.1 Costs and Commitments are Managed Properly

Ensure that all costs and commitments are within DOE-authorized funding levels and that costs and commitments in excess of such levels are properly reported and recorded.

(Weight = 10%)

Performance Measures:

3.1.a Costs and Commitments are Controlled to Appropriate Funding Levels

Effectiveness of the Laboratory to control costs to B&R Level 9 and control costs plus commitments within authorized major funding levels (Obligation Control Level).

(Weight = 5%)

Assumptions:

"Within funding levels" defined as within identified funding in the contract modifications.

"Commitments" are defined as uncosted balances under contracts awarded by the Laboratory that are set aside or encumbered, including purchase orders issued; contracts and subcontracts awarded, including the full liability under lease purchases and capital leases; termination cost for incrementally funded firm fixed price contracts, operating lease agreements, and multi-year service contracts that contain termination clauses; and other agreements for the acquisition of goods and services not yet received and uncosted balances related to other integrated M&O contractor liabilities.

Meeting the objective of this performance measure is applicable only at year end for Construction, Operating, and Capital Equipment funds. Line item capital equipment and construction is applicable monthly. A narrative will be written to describe the Laboratory's performance relative to this measure. The narrative will identify the number of Obligation Control Level (OCL), B&R Level 9, line item capital equipment, and construction funding categories being measured.

Gradient:

A Good rating is achieved by staying within funding levels as defined above.

Factors that will be considered for a higher rating include:

- training and development
- other proactive activities that improve the effectiveness of the Laboratory to manage and control funds
- controlling costs within funding levels identified in the contract modification for each accounting period

Appendix F - Objective Standards of Performance

Criteria:

Performance Measures:

- 3.1.b **Control of Funds**
Evaluation of proactive activities
designed for control of funds.
(Weight = 5%)

Assumptions:
Narrative describing initiatives.

Gradient:
A Good rating is achieved by implementing an effective process for mitigating
administrative control of funds violations.

Factors that will be considered for a higher rating include:

- process improvements
- identify control improvements and enhancements
- awareness training
- timely notification to DOE of significant changes in projected year-end uncosted
balances

- 3.2 **Financial Management Practices**
Ensure that financial management and
reporting practices fully disclose the
results of operations and contain
accurate, useful, timely information for
program and fiscal management needs.
(Weight = 20%)

- 3.2.a **Financial Policies, Practices, Data,
and Reports**
Evaluation of the level to which the
Laboratory's financial policies,
practices, data, and reports conform
with applicable DOE requirements.
(Weight = 20%)

Assumptions:
Provide a narrative description of the financial management practices performed to better
manage DOE's accounts with primary emphasis on accounts or processes identified by the
Laboratory and DOE as high risk.

Gradient:
A Good rating is achieved by demonstrated incremental improvement in financial
management practices of the high risk areas to ensure that financial practices, policies,
data, and reports are consistent with DOE requirements.

Factors that will be considered for a higher rating include:

- results of financial statement audits
- results of CAS Disclosure Statement reviews/revisions
- significant improvement in the financial practices of high risk accounts or processes
- improvement in the financial practices of other low risk accounts while maintaining good
practices for high risk accounts
- proactive interaction with the DOE with respect to financial management matters

Appendix F - Objective Standards of Performance

Criteria:

Performance Measures:

- 3.3 **Effective Internal Controls and Compliance**
Provide for effective internal controls and ensure timely and effective resolution of identified weaknesses.
(Weight = 10%)

- 3.3.a **Internal Controls/Compliance Management**
Degree to which an effective system for identifying, reviewing, and correcting (if identified) financial management internal control/ compliance processes is maintained.
(Weight = 10%)

Assumptions:

Describe and self-assess the effectiveness of the internal controls and financial management techniques employed to minimize and mitigate risks for the major financial management processes identified in conjunction with DOE.

Gradient:

A Good rating is achieved by accurately describing well designed and well deployed systems/processes for managing internal controls and compliance concerns/weaknesses.

Factors that will be considered for a higher rating include:

- a risk prioritization system that demonstrates Laboratory focus on high risk financial management control/compliance areas
- prompt completion of corrective actions
- process improvements
- aggressiveness of corrective action schedules
- effective process for identifying with DOE, annual target areas
- proactive leadership in addressing and correcting internal and external audit findings and concerns related to financial management practices

Assumptions:

Where appropriate incorporate, in the self assessment, historical trends as the data becomes available.

Laboratory-specific targets identified by end of January of each year contingent on availability of benchmarking results.

Note: Laboratory-wide cost savings initiatives require the highest level of visibility and Laboratory commitment. For this reason, Performance Objectives, Criteria and Measures (POCMs) addressing cost savings are included in the Laboratory Management POCMs instead of here in the Financial Management section.

Section B - Performance Objectives

Part III - Administration

III - 2 Human Resources

Performance Objective #1 Cost Effectiveness

The Laboratory will strive to achieve cost effective HR systems and practices.
(Weight = 32%)

Criteria:

Performance Measures:

1.1 **Review and Evaluation of HR Systems and Processes**

HR systems and processes reviewed and evaluated in order to optimize the delivery of services with respect to quality and cost.

(Weight = 11%)

1.1.a **Evaluation of HR Systems and Processes**

The Laboratory will critically examine HR systems and processes.

(Weight = 11%)

Agreement:

LANL/LLNL: The Laboratory will use a variety of techniques that may include internal customer feedback mechanisms, cost benefit analysis, work flow analysis, process mapping, benchmarking, etc., to streamline, reengineer, outsource, or eliminate existing systems and processes or implement new initiatives.

LBNL:

1. The Laboratory will critically examine and document the system for identifying supervisors, managers and confidential employees.
2. The examination will emphasize increasing efficiencies and eliminating redundant work.

Gradients:

LANL:

Good:

Major HR systems or processes (as defined by the Laboratory) are prioritized for review. Project plans are developed for one or two, and action is initiated.

Excellent:

As a result of reengineering, or other actions, improvements are achieved as evidenced by internal customer feedback, improved cycle times, benchmarking earlier outcomes vs. current outcomes, cost benefit analysis, or comparisons with other organizations which have made similar efforts, cost savings, etc.

Outstanding:

As a result of reengineering, or other actions, significant improvements are achieved as evidenced by internal customer feedback; improved cycle times; benchmarking earlier outcomes vs. current outcomes, cost benefit analysis, or comparisons with other organizations which have made similar efforts, cost savings, etc.

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LBNL:

Good:

Identification and accurate quarterly reporting of the names of supervisors, managers, and confidential employees to ensure that employees are correctly classified.

Excellent:

No unfair labor practices charges or grievances are received based upon incorrect identification of supervisors, managers, or confidential employees.

Outstanding:

The Laboratory completes the system review identified for FY 98, implements appropriate actions to correct identified deficiencies and begins another high priority HR system review.

LLNL:

Good:

Major HR systems or process (as defined by the Laboratory) are prioritized for review. Project plans are developed for one or two, and action is initiated, and there is measurable progress or actions taken.

Excellent:

As a result of process improvements or other actions, added improvements are achieved over the prior year as evidenced by internal customer feedback, benchmarking earlier outcomes vs. current outcomes, cost benefit analysis, or comparisons with other organizations which have made similar efforts, cost savings, etc.

Outstanding:

In addition, significant improvements are achieved, such as completion ahead of schedule, or conclusion of unusually complex projects, or can serve as a model for other organizations.

Criteria:

Performance Measures:

- 1.2 **Workforce Planning/Staffing**
The Laboratory has an effective, integrated workforce planning system
(Weight = 10%)

- 1.2a **Workforce Planning**
Evaluation of the effectiveness of the Laboratory's workforce planning system.
(LANL Weight = 5%)
(LBNL Weight = 4%)
(LLNL Weight = 10%)

Agreements:

LANL: This measure will consider development and implementation of workforce planning processes and documentation which identify workforce skill requirements and staffing strategies. "Implement effectively..." means the degree to which it contains the following elements:

- Development of a baseline assessment of current workforce composition, jobs and competencies.
- Analysis of future workforce requirements based on strategic plans, program guidance, budgets, and contract reform strategy.
- Determination of future workforce composition, jobs, and competencies.
- Comparison of current workforce composition to future workforce composition to identify shortages and excesses.
- Training and development programs address and minimize the difference between the internal skills that exist and those that are required to satisfy staffing requirements identified in the workforce planning process.

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LBNL: HR will initiate a process for partnering with the Directorate and the major programmatic division customers (Computing Sciences, Energy Sciences, General Sciences, Life Sciences) to develop proactive workforce pre-planning consistent with new scientific initiatives.

1. "Process" will be regular meetings, at least quarterly, with the Directorate and key programmatic division customers.
2. HR will produce tailored staffing/recruitment/training plans to address new scientific initiatives.
3. Workforce planning strategies will be aligned with the Laboratory's Institutional Plan and supportive of the principle of the DOE contractor HR Strategic Plan.

Gradients:

LANL

Good:

Development and implementation of workforce planning processes and documentation which satisfy all elements listed.

Excellent:

Shortfalls are tracked, trended, and benchmarked against like organizations as agreed upon by the Laboratory and the Department of Energy.

Outstanding:

Implementation of strategies to resolve shortfalls and excesses between current and future workforce compositions.

LBNL:

Good:

Quarterly pre-planning meetings are held with the Directorate and the major programmatic division customers (Computing Sciences, Energy Sciences, General Sciences, Life Sciences) to develop proactive workforce pre-planning consistent with new scientific initiatives.

Excellent:

A plan with milestones and a schedule is developed for conducting a baseline assessment of current workforce composition and demographics.

Outstanding:

A dynamic methodology (i. e., one that is responsive to changing circumstances) is developed to connect current workforce with future needs.

LLNL:

Good:

Workforce reviews are conducted regularly; staffing, recruiting and appropriate training plans are updated to reflect changing needs.

Excellent:

In addition, assess new hire and hiring manager satisfaction with recruiting and orientation process, and modify process as required.

Outstanding:

In addition, development of tools (such as implementation of skills database where practical, etc.) and capabilities (such as expanded, integrated campus recruitment effort, etc.) for ongoing improvement. Recruiting efforts are analyzed for cost and effectiveness, and changes made to provide continuous improvement and increased cost effectiveness.

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Criteria:

Performance Measures:

- 1.2b **Supplemental Workforce
(LANL/LBNL only)**
Evaluation of the effectiveness of the Laboratory's system, policies, and procedures for the appropriate, cost effective management of recruiting programs, hiring processes, and supplemental labor workforce.
(LANL Weight = 5%)
(LBNL Weight = 6%)

Agreements:

LANL: Analyses and evaluations will be conducted to determine the effectiveness of the mechanisms utilized to implement workforce planning results. The following areas will be addressed:

- Acquisition and management of supplemental workforce are cost effective and address workforce planning requirements.
- Cost effective recruiting programs yield highly diverse and qualified pools of applicants.
- Rate of job offers accepted to job offers made helps to determine that employment with the Laboratory is desirable.
- Total cycle time averages from date of job requisition to date of offer letter help to determine whether the employment process is effective.

By October 1, 1997, the Laboratory and DOE/AL will develop and document written criteria and guidelines to be utilized for Laboratory's self-assessment in the areas of recruiting, hiring and supplemental labor.

LBNL:

- Recruiting programs
 - 1) The Laboratory's recruiting program will be analyzed to determine the most cost effective recruiting strategies.
 - 2) "Recruitment strategies" will include newspaper ads, journal ads, trade shows, search firms, Web technology.
 - 3) Because FY 98 is the first year of this PM, sufficient data for meaningful analysis may not be reasonably collected within the assessment period.
 - Supplemental labor
 - 1) The results of the critical review will form the basis for tracking and trending the use of supplemental labor.
 - Hiring Processes
- The Laboratory will not evaluate hiring processes under this Performance Measure.

Gradients:

LANL:

Good:

Current Laboratory recruiting/staffing strategies and processes are documented and systems are developed to capture job offer/rejection and job requisition processing information.

Excellent:

Laboratory recruiting/staffing strategies and processes are benchmarked against like organizations as agreed upon by the Laboratory and the DOE.

Outstanding:

Appendix F - Objective Standards of Performance

Areas for improvement are addressed and demonstrated improvements are indicated by virtue of better cost effectiveness and improved staffing results.

LBNL:

• **Recruiting:**

Good:

Baseline data collected for future comparison and planning.

Excellent:

Analysis of baseline data and development of a plan to increase the effectiveness of various recruitment strategies.

Outstanding:

Areas for improvement are addressed and demonstrated improvements are indicated by virtue of cost per hire, and evidence of qualified and diverse applicant pools.

• **Supplemental Labor:**

Good:

Completion of a critical review of the process for identifying and reporting on supplemental labor

Excellent:

Policy on appropriate use of supplemental labor is developed

Outstanding:

Evidence of forecasting the use of supplemental labor including cost projections and evaluation for cost effectiveness.

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Criteria:

- 1.3 **Compensation**
Compensation is administered in a cost competitive manner which takes into account external and/or internal equity.
(Weight = 11%)

Performance Measures:

- 1.3.a **LANL: Salary Increase Fund (SIF)**
Evaluation of the comprehensiveness and timeliness of Salary Increase Fund (SIF) proposal.
(Weight = 7%)
- LBNL: Baselineing**
Baseline evaluation of the Laboratory's research and support FTE costs.
(Weight = 6%)
- LLNL: Currency of Job Classification**
Cumulative % of classifications reviewed, updated and evaluated in accordance with the Laboratory's current system. Baseline is to have every classification reviewed at least once every 5 years.
(Weight = 6%)

Agreements:

LANL: An underlying principle of this measure is that the compensation program is market driven and rewards performance and productivity.

LBNL:

1. "Research FTE" are defined as professional staff who are programmatically funded.
2. "Support FTE" are defined as technical and administrative staff who are funded from either overhead or programmatic funds.
3. "Like R&D facilities" will be defined as multi-disciplinary research organizations with representation from both the public and private sectors as mutually agreed between DOE and the Laboratory.
4. "Career" (i.e. benefit accruing) vs. supplemental labor will be reported in separate graphs

LLNL:

1. Report annually on cumulative % of classifications reviewed (including results/actions) with the goal of 100% by the end of a 5-year period.
2. In assessing the value of job classifications, both internal alignment and external market forces must be considered.
3. Classifications for which changes are required will be counted under the cumulative % in the year in which the changes have been completed.

Gradients:

LANL:

Good:

SIF addresses all of the elements specified in the Appendix A and meets the agreed upon time requirements.

Excellent:

SIF incorporates agreements reached for improvements from the previous cycle's SIF, and identifies early efforts at resolution of any special problem areas.

Outstanding:

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SIF thoroughly addresses all of the elements specified in Appendix A and includes other relevant issues not previously specified, meets or exceeds in the agreed upon time requirements, and the SIF proposal can serve as a model for other organizations.

LBNL:

Good:

100% of research and support FTE costs baselined.

Excellent:

Results of baseline evaluation analyzed and presented to Laboratory Management.

Outstanding:

Demonstrated implementation of appropriate recommendations to provide data that will enable management to make informed decisions regarding FTE costs.

LLNL:

Good:

95% in 5 years, plus a quality review process/system institutionalized as a part of normal processes.

Excellent:

100% in 5 years, plus a quality review process/system institutionalized as a part of normal processes.

Outstanding:

In addition, there are current classification description matrices which are made available to supervisors/managers, and the Laboratory develops training for supervisors/managers on effective usage of classification process and tools.

Performance Measures:

1.3.b Effectiveness of Implementation of Market-Based Pay Policy

LANL/LLNL: % of weighted classification average salaries fall within $\pm 5\%$ of target agreement.

(LANL Weight = 4%)

(LLNL Weight = 5%)

LBNL: Benchmarking- Benchmark evaluation of the Laboratory's research and support FTE costs in like R&D facilities **(Weight = 5%)**

Agreement:

LANL: This measure may be limited to those classifications with 10 or more incumbents and to those classifications that are benchmarked. For purposes of the measure, "classifications" shall be limited to those in LANL's Structured Series, i. e., Administrative exempt and non-exempt and Technicians. LANL will compute the percentage of employees whose jobs are matched to survey jobs and whose salaries are within $\pm 5\%$ of market rates. Comparisons will be made when survey results become available. LANL will submit data to this measure in the third quarter. Regarding the Good: gradient listed below, LANL may meet expectations with

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less than 50% if LANL obtains DOE concurrence in the documented analysis of the situation and any planned corrective action.

LBNL:

1. "Research FTE" are defined as professional staff who are programmatically funded.
2. "Support FTE" are defined as technical and administrative staff who are funded from either overhead or programmatic funds.
3. "Like R&D facilities" will be defined as multi-disciplinary research organizations with representation from both the public and private sectors as mutually agreed between DOE and the Laboratory.
4. "Career" (i.e. benefit accruing) vs. supplemental labor will be reported in separate graphs.

LLNL: This measure may be limited to those classifications with 10 or more incumbents and, to those classifications within the classification series that are benchmarked. Classification series average salary will then be compared to the target and designated "yes" if the classification series average falls within $\pm 5\%$ of the target and "no" if they do not. The populations of classifications series designated "yes" will then be added and the sum divided by the total population in the covered classifications series. Targets for the fiscal year shall be established by LLNL prior to the implementation of the salary review for that fiscal year.

LLNL will track and share data at the benchmark level (i.e., 105.1s, 105.2s, 105.3s, etc.) but will be graded at the classification series level (i. e., 100s, 200s, 300s, etc.). For positions included in the competency-based performance management pilot ("role/stage assignment(s)" are substituted for "classification(s)") the numbers for the approximate 1,300 employees in the pilot will be deleted for all calculations within the classification series whenever appropriate.

Gradients:

LANL/LLNL:

Good:

50% or greater but less than 70%

Excellent:

70% or greater but less than 85%

Outstanding:

85% or greater

LBNL:

Good:

A comprehensive plan, milestones and schedule in place which includes identification of comparators and job titles included in the research and support categories.

Excellent:

Quarterly status reports reflect progress towards milestones.

Outstanding:

Plan is completed and results are analyzed and presented to Laboratory Management.

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Performance Objective #2 Work Force Excellence

The Laboratory will develop and motivate its work force to excel in meeting programmatic needs of the Laboratory and its customers.

(Weight = 16%)

Criteria:

- 2.1 Performance Management**
Effective employee performance management.
(LANL/LBNL Weight = 8%)
(LLNL Weight = 10%)

Performance Measures:

- 2.1.a Currency of Performance Appraisals**
Evaluation of the system that ensures that each employee is appraised on an annual basis, against pre-established, job-related performance criteria is in place
(LANL Weight = 2%)
(LBNL Weight = 8%)
(LLNL Weight = 5%)

Agreements:

LANL: Baseline of completed appraisals is 95%. Report latest viable data. Percent completed is determined by dividing the number of completed performance appraisals by the eligible population. A 10% random sample of the completed Performance Appraisals will be drawn annually and reviewed by a team of qualified personnel to determine if the Performance Appraisals contain all the elements and meet the standards set forth in laboratory guidelines. A performance appraisal will not be counted as completed unless it has the elements set forth in the laboratory guidelines. September data will be used for FY 98. Documented evidence of a feedback mechanism to management on the results of the qualitative review is required. The lowest percentage achieved between the quantitative and qualitative scores will determine the awarded gradient.

For purposes of this measure, the Laboratory will report the Director's Office submissions of the Laboratory Leadership Council members performance appraisals in the subsequent fiscal year data.

The Laboratory will select the 10% random sample from the Performance Appraisals submitted under the new Performance Management System.

LBNL:

1. The review will consider the following factors:
 - Position description is in place and is appropriate to the job classification.
 - If an Individual Development Plan is required, it is in place.
 - The rating is consistent with the narrative.
 - The appraisal has been completed consistent with institutional guidelines.
2. A 5% random sample will be used which includes proportionate representation from S&E, Admin./Clerical, and Technical job classifications.

LLNL: Report latest viable data. Evaluation will be of the percentage completed and quality of annual performance appraisals for employees against pre-established, job-related performance criteria. Percent completed determined by dividing the number of completed performance appraisals by the eligible population. A performance appraisal will not be counted as completed unless it has the elements set forth in the laboratory guidelines. September (or the latest available) data will be used for FY98.

Gradients:

LANL:
Good:

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95% on Performance Appraisal completion's and 75% or greater but less than 80% of the 10% random sample contain all the elements and meet the standards set forth in Laboratory guidance.

Excellent:

96% on Performance Appraisal completion's and 80% or greater but less than 85% of the 10% random sample contain all the elements and meet the standards set forth in Laboratory guidance.

Outstanding:

97% on Performance Appraisal completion's and 85% or greater of the 10% sample contain all the elements and meet the standards set forth in Laboratory guidance.

LBNL:

Good:

A 5% random sample is completed per the Agreements noted. Feedback is provided to line management and training or other remediation is provided as appropriate.

Excellent:

Analysis for trends which may reflect problems, e.g., poor business practice, liability exposure, cost inefficiencies, and implementation of training or remediation as appropriate based on the results of the analysis.

Outstanding:

Actions to address trend or assessments that the appraisal system is being implemented consistently in all organizations.

LLNL:

Good:

95% on Performance Appraisal completion's and 75% or greater but less than 80% of the 2% random sample contain all the elements and meet the standards set forth in Laboratory guidance.

Excellent:

96% on Performance Appraisal completion's and 80% or greater but less than 85% of the 2% random sample contain all the elements and meet the standards set forth in Laboratory guidance.

Outstanding:

97% on Performance Appraisal completion's and 85% or greater of the 2% random sample contain all the elements and meet the standards set forth in Laboratory guidance.

Performance Measures:

2.1.b Individual Development Plan (LANL/LLNL only)

% of employees with a current development plan that meets qualitative standards.

(LANL Weight = 2%)

(LLNL Weight = 5%)

Agreements:

LANL: Baseline for the number of employees with a current development plan is 75%. A 10% random sample of the completed development plans will be drawn annually and reviewed by a team of qualified personnel to determine if the development plans contain the elements

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and meet the standards set forth in Laboratory guidelines. Documented evidence of a feedback mechanism to management on the results of the qualitative review is required. The lowest percentage achieved between the quantitative and qualitative scores will determine the awarded gradient.

LLNL: A 2% random sample of the covered population will be drawn to review development plans for acceptability. An IDP will not be counted as current unless it has the elements set forth in laboratory guidelines. In cases where the employee does not want an IDP and signs this statement, it will be counted as current for purposes of this PM.

Gradients:

LANL:

Good:

75% or greater but less than 80% on development plan completion's and 75% or greater but less than 80% of the 10% random sample contain all the elements and meet the standards set forth in Laboratory guidance.

Excellent:

80% or greater but less than 85% on development plan completion's and 80% or greater but less than 85% of the 10% random sample contain all the elements and meet the standards set forth in Laboratory guidance, or, 85% or greater on development plan completion's and 75% or greater but less than 80% of the 10% sample contain all the elements and meet the standards set forth in Laboratory guidance.

Outstanding:

85% or greater on development plan completion's and 85% or greater of the 10% sample contain all the elements and meet the standards set forth in Laboratory guidance.

LLNL:

Good:

75% or greater but less than 80% and guidelines issued.

Excellent:

80% or greater but less than 85%, guidelines issued, sample formats posted to internal HR website, feedback given to Directorates as needed, and refresher training made available.

Outstanding:

In addition to above, 85% or greater completion rate is achieved.

Performance Measures:

2.1.c Employee Development (LANL only)

Evaluation of the employee development program's ability to meet the Laboratory's workforce planning and mission needs
(Weight = 4%)

Agreements:

It is understood that employees are primarily responsible for identifying and addressing their career and development needs consistent with the Laboratory's mission needs.

Gradients:

Good:

Guidance is issued describing employee responsibilities for career and employee development consistent with the Laboratory's workforce planning and mission needs.

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Excellent:

Analysis is conducted to determine the extent of the differences between the individual development plan requirements and the Laboratory workforce planning and mission needs.

Outstanding:

As a result of analysis, formal action plans are developed and implemented to improve Laboratory workforce planning.

Criteria:

Performance Measures:

- 2.2 **Effectiveness of Employee/ Labor Relations**
Effectiveness of employee/labor relations programs.
(LANL/LBNL Weight = 8%)
(LLNL Weight = 6%)

- 2.2.a Measure the effectiveness of complaint resolution.
(LANL Weight = 8%)
(LBNL Weight = 8%)
(LLNL Weight = 6%)

Agreements:

LANL: Where known, multiple internal filings on the same issue by the same individual may be counted as 1. Actions filed by applicants and retirees will not count against this performance measure.

Internal organizations that will provide data for this measure will include Employee Relations, the Internal Evaluation Office, the Ombuds Office, and Legal Counsel. Types of cases will include, but not be limited to employee discipline, EEO, IEO, administrative reviews, grievances. Data will only be reported in a manner which will assure anonymity.

LBNL: The Laboratory will trend formal complaints from employees by type of complaint, division/department, job class, type of appointment (also by bargaining unit for represented employees) in order to identify problem areas in need of corrective action.

1. Trend data will be collected and reported quarterly.
2. "Formal complaints" will include administrative reviews, grievances, mediation, litigation and external agency charges. In addition, for labor relations trending, "formal complaints" will also include unfair labor practice charges.
3. It is acknowledged that formal complaints may result from multiple causes.
4. Because FY '98 is the first year of this PM, sufficient data for meaningful trending may not be reasonably collected within the assessment period.

LLNL: The Laboratory will trend Ratio of External to Internal Complaints, and Ratio of Formal to Informal Complaints, plus provide a narrative broadly describing processes and efforts to mitigate and minimize issues, as it did for FY96 PMs. External complaints are agency filings and lawsuits. Multiple filings on the same issue by the same individual will count as 1; actions filed by applicants and retirees will not count against this performance measure.

The narrative summary will discuss management initiated actions that may have impacted the results of this measure.

Gradients:

LANL:

Good:

Conduct analysis of cases by (1) where they were originally filed, (2) the type of case, (3) the issue involved, (4) the outcomes, (5) cycle times for processing, and, (6) approximate cost involved in processing and resolution.

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Excellent:

Process results are benchmarked against other like organizations as agreed to by the Laboratory and the DOE.

Outstanding:

As a result of analysis and benchmarking, formal management action plans are developed and implemented to improve employee relations.

LBNL:

Good:

Trending is conducted per the Agreements

Excellent:

Data are analyzed and provisions made for corrective action

Outstanding:

Evidence of reduced number of formal complaints in problem areas identified

LLNL:

Good:

A system is in place to respond to both formal and informal complaints, trend data is presented and a narrative summary provided of management actions impacting the data.

Excellent:

In addition, a trend analysis is done to determine the nature of issues being raised, and a report of institution-wide trend data is provided to Laboratory management.

Outstanding:

In addition, management actions are taken to address institution-wide issues raised through the on-going awareness and knowledge of trends. New issues raised by the end of the assessment year trend analysis will be addressed through management action the following year.

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Performance Objective #3 Equal Opportunity

Strengthen the commitment to and accountability for equal opportunity, affirmative action and work force diversity.

(Weight = 24%)

Criteria:

Performance Measures:

3.1 Employment of Women and Minorities

Promote work force diversity and improve the representation of minorities and women in the work force through the development and implementation of strategies and other affirmative action "good faith efforts."
(Weight = 24%)

3.1a Employment of Minorities

An assessment of planning and implementation of good faith efforts designed to improve recruitment, selection and retention of minorities in high priority underutilized job groups.
(Weight = 12%)

Agreement:

1. High priority underutilized groups will be selected at the beginning of the assessment period as defined by each Laboratory. For LANL, this is October 1; for LBNL, this is October 1; and for LLNL, this is January 1. The following factors may be utilized for the designation of high priority areas: underutilization levels, availability levels, placement opportunities and typical size and diversity of applicant pools.
2. The Laboratory will provide a results oriented plan with a purpose of improving organizational performance in the recruitment, selection, and retention of minorities in the selected high priority areas. The plan will display the specific actions which will be targeted for achievement during the fiscal/calendar year and assigned responsibility for those actions. The plan shall incorporate, at a minimum, good faith efforts designed to enhance the following:
 - coupling of outreach and recruitment efforts in high priority job groups
 - systematic effort to measure and report outcomes and impact of the outreach and recruitment process
 - diversity and viability of candidate pools
 - efforts to educate and sensitize the work force to diversity awareness
 - integration of diversity issues in Laboratory operations and the daily fabric of Laboratory life
 - active top management support of diversity considerations, including affirmative action and educational outreach efforts
 - representation of minorities as defined in the Laboratory's Affirmative Action Program

Gradients:

Good:

Plan Development and Execution

1. Plan Development -- The Laboratory developed a results-oriented plan which clearly communicates the Laboratory's commitment and investment in carrying out its good faith efforts to develop strategies and actions to improve employment and retention of minorities in high priority underutilized job groups. The plan must incorporate, at a minimum, good faith efforts as outlined above.
2. Plan Execution -- Specific actions identified in plan were carried out substantially in the manner and time-frames identified in the plan.

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The Laboratory will summarize how the plan was executed relative to the specific actions taken to improve the recruitment, selection and retention of minorities. The summary should include a narrative describing the efforts taken, and any significant outcome or events resulting from the process. The summary should also include statistical analyses assessing the representation of minorities in candidate pools, interviews, placements, and attrition in the specified job groups.

Excellent:

In the aggregate, high priority underutilized job groups show improvement toward full utilization. Job groups not designated as high priority also show improvement or remain at the same level of utilization.

Outstanding:

In addition to the criteria for Excellent, improvement toward full utilization is achieved for each designated high priority group or full utilization is achieved in any of the high priority job groups

Performance Measures:

3.1b Employment of Women

An assessment of planning and implementation of good faith efforts designed to improve recruitment, selection and retention of women in high priority underutilized job groups
(Weight = 12%)

Agreement:

1. High priority underutilized groups will be selected at the beginning of the assessment period. . For LANL, this is October 1; for LBNL, this is October 1; and for LLNL, this is January 1. The following factors may be utilized for the designation of high priority areas: underutilization levels, availability levels, placement opportunities and typical size and diversity of applicant pools.
2. The Laboratory will provide a results oriented plan with a purpose of improving organizational performance in the recruitment, selection, and retention of women in the selected high priority areas.

The plan will display the specific actions which will be targeted for achievement during the fiscal/calendar year and assigned responsibility for those actions. The plan shall incorporate, at a minimum, good faith efforts designed to enhance the following:

- coupling of outreach and recruitment efforts in high priority job groups
- systematic effort to measure and report outcomes and impact of the outreach and recruitment process
- diversity and viability of candidate pools
- efforts to educate and sensitize the work force to diversity awareness
- integration of diversity issues in Laboratory operations and the daily fabric of Laboratory life
- active top management support of diversity considerations, including affirmative action and educational outreach efforts
- representation of women as defined in the Laboratory's Affirmative Action Program

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Gradients:

Good:

Plan Development and Execution

1. Plan Development -- The Laboratory developed a results-oriented plan which clearly communicates the Laboratory's commitment and investment in carrying out its good faith efforts to develop strategies and actions to improve employment and retention of women in high priority underutilized job groups. The plan must incorporate, at a minimum, good faith efforts as outlined above.
2. Plan Execution -- Specific actions identified in plan were carried out substantially in the manner and time-frames identified in the plan.

The Laboratory will summarize how the plan was executed relative to the specific actions taken to improve the recruitment, selection and retention of women. The summary should include a narrative describing the efforts taken, and any significant outcome or events resulting from the process. The summary should also include statistical analyses assessing the representation of women in candidate pools, interviews, placements, and attrition in the specified job groups.

Excellent:

In the aggregate, high priority underutilized job groups show improvement toward full utilization. Job groups not designated as high priority also show improvement or remain at the same level of utilization.

Outstanding:

In addition to the criteria for Excellent:, improvement toward full utilization is achieved for each designated high priority group or full utilization is achieved in any of the high priority job groups

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Performance Objective #4 Customer Needs

Human Resources has a system for identifying and evaluating customer needs and for building and maintaining positive customer relationships.

(Weight = 14%)

Criteria:

- 4.1 **Customer Needs Analysis**
Requirements, expectations and preferences of internal and external customers are collected and addressed. Strategies to evaluate and anticipate needs are in place.
(Weight = 14 %)

Performance Measures:

- 4.1.a **Customer Needs Input**
Evaluation of the implementation and utilization of internal and external customer input mechanisms.
(Weight = 14%)

Agreement:

LANL/LBNL: Mechanisms will be used to gather customer input regarding HR practices. Practices could be policies, services, programs, systems, processes and procedures. These mechanisms are varied and could include customer surveys, focus groups, customer feedback forms, etc. Measurement will include the extent of utilization of customer input in improving HR practices and will include closing the loop with the customers. Measurement deliverable will be a narrative description of how the laboratory addresses the performance criterion and objective.

LLNL: Evaluate the use of customer input mechanisms to meet customer needs.

Gradients:

Good:

Internal and external customer input mechanisms exist and are utilized to evaluate and improve human resources practices. Input and any changes to practices, whether resulting from feedback or not, are communicated to the customers, as appropriate.

Excellent:

Internal and external customer requirements, expectations and preferences are collected and utilized in a methodical manner to evaluate and improve human resources practices. Methodical manner means the information sought from customer feedback mechanisms and the frequency of collection are clearly defined. New or changes to existing practices are clearly linked to feedback results as well as the laboratory's strategic direction and communicated to the customers, as appropriate.

Outstanding:

In addition to the items identified under Excellent:, other data such as industry standards, utilization of services and operational effectiveness indicators are collected and taken into consideration. Furthermore, Human Resources evaluates and improves its processes for determining customer requirements, expectations and preferences.

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Performance Objective #5 HR Leadership in Deploying Mission/Business Strategy

The Laboratory aligns its HR plan with the Laboratory strategic or institutional plan and supports the principle of the DOE contractor HR strategic plan.

(Weight = 14%)

Criteria:

Performance Measures:

5.1 Alignment of HR Programs

HR programs and policies such as in recruitment and staffing, compensation and benefits, labor and employee relations, diversity and training are aligned with Laboratory business strategies.

(Weight = 14%)

5.1.a Deployment of Strategy

Evaluation of the HR planning process that addresses alignment of HR programs and practices with business plans as well as the well being of the entire work force. Measurement will also include the strategy to communicate with employees, supervisors and managers regarding HR programs and practices.

(Weight = 14%)

Agreement:

Measurement Deliverable: Narrative description of the above.

LLNL: The evaluation will include items such as those noted in the PM 5.1.a, above, plus any others relevant to this POCM.

Gradients:

Good:

Documented plan to align HR programs and practices with the Laboratory business plans or strategy. Documented communication strategy.

Excellent:

Evidence of implementation of documented HR plan.

Outstanding:

Evidence of implementation of the HR documented plan and communication strategy that addresses key aspects of the HR planning elements. For LANL those elements are contained in the Baldrige criteria. In addition, the work force planning process addresses the alignment of the work force with business needs such as core mission requirements, cost cutting or budget requirements and streamlining efficiency initiatives, while balancing such requirements with the needs of employees. The organization demonstrates a balance between work force and organizational needs by effectively implementing strategies for targeted recruitment, skill mix requirements, internal placements, appropriate retraining programs, outplacement activities, etc.

Section B - Performance Objectives
Part III - Administration
III - 3 Information Management

Performance Objective #1 Information Management Program

The Laboratory manages information as a corporate resource to improve the quality of its products, to add value to scientific programs and customer services, and as a tool to improve its work processes

(Weight = 100%)

Criteria:

Performance Measures:

1.1 Strategic and Tactical Planning

Information Management practices will be guided by programmatically coordinated strategic and tactical planning.

(Weight = 20%)

1.1.a Planning Initiatives

Evaluation of evidence that IM planning supports the Laboratory's mission.

(Weight = 20%)

Assumptions:

Measurement deliverable – IM plans or narrative descriptions of IM initiatives that support the mission and plans of the Laboratory. IM planning supports both programmatic and operational/administrative needs. Reference may be made to accessible work products or other existing Laboratory documentation.

Gradient:

Good:

Planning, evidenced by documentation, that effectively supports the Laboratory's missions and customer requirements. Planning documents demonstrate the effectiveness of the planning approach of (1) aligning with the Laboratory's missions (2) determination of customer requirements and expectations (3) integration of the various components of information resources.

Excellent and Outstanding factors to be considered:

Existence of one or more of the following:

- substantial progress against milestones under challenging conditions.
- external recognition of excellence in IM planning.
- implementation of tools to facilitate IM planning.
- demonstrated support of the Laboratory's mission through IM planning that exceeds the Laboratory's targets, goals or objectives.

Appendix F - Objective Standards of Performance

Criteria:

- 1.2 **Self Assessment Program**
Maintain a self assessment program that evaluates the effectiveness of management and operational practices.
(Weight = 25%)

Performance Measures:

- 1.2.a **Self Assessment Program**
Evaluation that self assessments are taking place and that corrective actions, where necessary, are accomplished in a timely and effective manner.
(Weight = 25%)

Assumptions:

Measurement deliverable – self-assessment of the Information Management functions accompanied by appropriate supporting material. The narrative description may be accomplished through reference to accessible work products or other existing Laboratory documentation. The Laboratory and its DOE Operations Office will agree to develop and document in writing guidelines for self assessment criteria to be used. These written guidelines for the SA criteria to be used to assess the performance of the DOE/Laboratory agreed-to IM focus areas will be completed by October 1, 1997 and will be shared with all members of the IM team. IM focus area results must be incorporated in the Laboratory's Self-Assessment Report.

Gradient:

Good:

The self assessment addresses all agreed-upon criteria. The self assessment is based upon objective supporting material where appropriate. Deficiencies noted in previous assessments have been corrected or have corrective action plans under development or in place. Results of self assessments demonstrate that compliance issues are being effectively and efficiently addressed

Excellent and Outstanding factors to be considered:

- System for rescheduling missed milestones established.
- System for timely communication of changes to appropriate management implemented.
- Cost effective and/or innovative approaches to achieving the objectives of the self assessment program.
- Results of self assessments demonstrate that compliance issues were addressed in advance of target dates and goals were exceeded, or are addressed with results that demonstrate significant cost-savings and efficiencies attributable to Information Management innovation.

- 1.3 **Information Management Program Results**
The information management program provides cost-effective quality products and services that meet customer requirements. **(Weight = 55%)**

- 1.3a **Level of Customer Satisfaction**
Evaluation of annual reviews of customer satisfaction which compare results with previous reviews, trend customer satisfaction, and implement activities toward improvement.
(Weight = 25%)

Appendix F - Objective Standards of Performance

Assumptions:

Measurement deliverable - results of the customer satisfaction reviews.

Gradient:

Good:

A demonstrated approach in response to the measurement of customer satisfaction levels. The approach will include the rationale for process by which customer input is acquired. Evidence of customer involvement in development of information management plans, including conceptual, deployment, maintenance, and transition. Clear evidence of meeting commitments to customers requirements.

Excellent and Outstanding:

Factors to be considered:

- Cost effective and/or innovative approaches to measuring customer satisfaction.
- Aggressive responses to information derived in determining customer satisfaction levels.
- Customer involvement in all stages of information management activities, including conceptual, deployment, maintenance, and transition.
- Evidence of improvement in customer satisfaction levels relative to product and service innovation.
- Evidence of significant improvements in systems and process and demonstrated results attributable to timely analysis of customer requirements, or evidence of multiple cycles of improvements with significant results.

Appendix F - Objective Standards of Performance

Criteria:

Performance Measures:

- 1.3b **Operational Effectiveness**
Evaluation of measurable improvements
and cost-effective operations.
(Weight = 30%)

Assumptions:

Measurement deliverable - narrative description of the information management program's accomplishments which have resulted in measurable improvements in the provision of cost-effective, quality products. The narrative description may be accomplished through reference to accessible work products or other existing Laboratory documentation.

Gradient:

Good:

Examples that demonstrate cost-effective, quality IM services and products. A system for measuring performance. Establishment of cost-efficiencies and cost-savings goals.

Excellent and Outstanding factors to be considered:

- Results from cost effective and/or innovative approaches to improving information management.
- Successful implementation of new technologies in support of programmatic requirements.
- Evidence of successful results from prioritization efforts.
- Demonstrated application of best business practices.
- Benchmarking initiatives indicate best-in-class performance.
- Peer review findings recognize operational effectiveness.
- Demonstrated results which clearly indicate that cost-efficiencies and cost-savings goals were exceeded; demonstrated significant improvement results attributable to performance measurement systems.

Section B - Performance Objectives

Part III - Administration

III - 4 Procurement

Performance Objective #1 Management of Procurement Business Requirements

The Laboratory shall have systems in place that ensure Procurement programs are consistent with policies and procedures approved by DOE.

(Weight = 30%)

Criteria:

- 1.1 **System Evaluation**
The Procurement organization conducts, documents, and reports annually, the results of a successful assessment of its purchasing system against established evaluation criteria. **(Weight = 30%)**

Performance Measures:

- 1.1. **Assessing System Operations**
a The Procurement organization shall develop and submit a risk-based system evaluation plan to DOE and UC no later than October 1, 1997, for review and concurrence. The procurement system shall be assessed against system evaluation criteria as identified in the plan. In addition, an aggressive, cost effective management plan for resolution of system deficiencies and opportunities for process improvement shall be developed. Management of the results of the system assessment shall be evaluated. System deficiencies will include those identified by the Procurement organization, internal Laboratory organizations and external organizations. **(Weight = 30%)**

Basis for Rating:

Good: There is a sound, systematic approach, responsive to the primary purpose of the system evaluation. Cost benefit analyses and risk assessments are good when addressing deficiencies and/or opportunities for improvement. Implementation of remedial actions is appropriate and demonstrates responsible leadership in many to most cases.

Excellent: The requirements for a Good rating are met. There is a sound, systematic approach, responsive to the overall purpose of the system evaluation. In addition, cost benefit analyses and risk assessments are rated good to excellent when addressing deficiencies and/or opportunities for improvement. Implementation of remedial actions is sound and demonstrates responsible leadership in most cases.

Outstanding: The requirements for an Excellent rating are met. There is a sound, systematic approach, fully responsive to all the requirements of the system evaluation. In addition, cost benefit analyses and risk assessments are rated excellent when addressing deficiencies

Appendix F - Objective Standards of Performance

and/or opportunities for improvement. Implementation of remedial actions is sound and demonstrates strong leadership in most cases.

Appendix F - Objective Standards of Performance

Performance Objective #2 Procurement System Cost Effectiveness and Efficiency

The Procurement organization shall ensure that business is being conducted at an optimum operational efficiency level.

(Weight = 40%)

Criteria:

- 2.1 **Pursuing Best Practices**
The Procurement organization successfully uses benchmarking data and industry standards to identify targets of opportunity for improving operational efficiency related to service, cycle times and/or cost and pursues opportunities aggressively. **(Weight = 40%)**

Performance Measures:

- 2.1.a **Measuring Efficiency Gains**
The Procurement organization will be measured against benchmarks or industry standards/practices in areas prescribed in the Value-Based Self-Assessment (VBSA) Model. The Procurement organization will establish final baselines, goals and gradients no later than December 1, 1997.
(Weight = 40%)

Basis for Rating:

In partnership with DOE and UC, the Laboratory shall identify benchmarks/industry standards in each procurement area identified as a core requirement in the VBSA Model and establish and justify goals in pursuit of those standards. The Laboratory may propose gradients based on data other than benchmarks or industry standards if the Laboratory provides adequate support of other optimum operating levels.

Assumptions:

- The current core areas identified for pursuing cost effectiveness and efficiency under the VBSA Model are cycle time, process cost, effective competition, and product/service cost savings/avoidance.
- The weight of the measure will be distributed evenly among the applicable categories unless otherwise agreed to in coordination with DOE and UC.

Appendix F - Objective Standards of Performance

Performance Objective #3 Customer Satisfaction

The Procurement organization shall maintain a focus on satisfying customer needs.
(Weight = 15%)

Criteria:

Performance Measures:

3.1 Customer Feedback

The Procurement organization listens and responds to its internal and external customers and stakeholders in a fair and open process that encourages dialogue and participation. **(Weight = 15%)**

3.1.a Working Customer Needs

Based on the results of the FY97 customer survey, the Procurement organization shall select areas to work in partnership with its customers in order to effect customer-driven improvements in the procurement area. Improved customer satisfaction will be measured in comparison to a baseline established from the FY97 customer survey. The Procurement organization will submit areas for customer interaction and its plan of action by November 1, 1997.
(Weight = 15%)

Basis for Rating:

Good: Identify customers (end users) and methods for customer interaction. Establish methods for determining customer satisfaction. Implementation plan with scheduled milestones are met. Documentation of results as outlined in the implementation plan verifies that customer satisfaction improvement goals for a Good rating, as identified by the Laboratory in partnership with DOE and UC, have been achieved.

Excellent: The requirements for a Good rating are met. Documentation of results as outlined in the implementation plan verifies that customer satisfaction improvement goals for an Excellent rating, as selected by the Laboratory in partnership with DOE and UC, have been achieved.

Outstanding: The requirements for an Excellent rating are met and, in addition, documentation of results as outlined in the implementation plan verifies that customer satisfaction improvement goals for a Outstanding rating, as selected by the Laboratory in partnership with DOE and UC, have been achieved.

Note: The same customer survey that was employed in FY97 to measure the success of deployment of results will be employed in FY99.

Appendix F - Objective Standards of Performance

Performance Objective #4 Professional & Social Responsibility

The Laboratory shall ensure that the procurement process is conducted in a professional and socially responsible manner.

(Weight = 15%)

Criteria:

Performance Measures:

4.1 Supplier Performance

The Procurement organization shall manage its suppliers in such a manner as to ensure that the goods and services which they provide meet the Laboratory's requirements.

(Weight = 10%)

4.1.a Measuring Supplier Performance

The Procurement organization shall measure the performance of its key suppliers. Supplier performance will be measured from a baseline with goals and gradients agreed to by the DOE, UC, and the Laboratory no later than November 30, 1997.

(Weight = 10%)

Basis for Rating:

Good: The Laboratory has identified its key suppliers and measures their performance against the baseline established for each of those suppliers.

Excellent: The requirements for a Good rating are achieved and, in addition, supplier performance improvement goals for an Excellent rating, as selected by the Laboratory in partnership with DOE and UC, have been achieved.

Outstanding: The requirements for an Excellent rating are achieved and, in addition, supplier performance improvement goals for a Outstanding rating, as selected by the Laboratory in partnership with DOE and UC, have been achieved.

Assumptions:

Contract Administration is assessed annually by each Laboratory under Performance Measure 1.1.a.

Appendix F - Objective Standards of Performance

Criteria:

- 4.2 **Socioeconomic Subcontracting**
The Procurement organization shall support and promote socioeconomic subcontracting programs.
(Weight = 5%)

Performance Measures:

- 4.2.a **Meeting Socioeconomic Commitments**
The percentage of actual subcontract dollar obligations (not subcontract face value) in the following 4 categories will be compared against goals negotiated for FY98.

- (a) Small Business
- (b) Small Business Set-Asides
- (c) Small Disadvantaged Business
- (d) Women-Owned Small Business

The Procurement organization will propose and provide supporting rationale and statistical support for socioeconomic goals.
(Weight = 5%)

Basis for Rating:

It is recognized that pursuit of cost effectiveness and best business practices may impact on the establishment of socioeconomic goals and/or on the final achievement of such goals. Consideration will be given to this impact during forecasting and mid-year updates of goals and during evaluation of self assessments.

Good: Meeting all goals with consideration given to changes in funding profiles, changes in forecast, deletion of requirements, etc., should goals not be met.

Excellent: Exceeds three of the four goals and meets the fourth goal. Consideration will be given to such factors as awards/recognition, pilot program participation, or other support for DOE socioeconomic programs when the Laboratory is borderline to meeting a goal that leads to a rating of Excellent.

Outstanding: Exceeds all goals. Consideration will be given to such factors as awards/recognition, pilot program participation, or other support for DOE socioeconomic programs when the Laboratory is borderline to meeting a goal that leads to a rating of Outstanding.

Assumptions:

Obligations qualifying in more than 1 category may be counted in more than 1 category, e.g., Small Business and Small Business Set-Asides.

The purchasing base for purposes of this measure is all obligations incurred during the fiscal year period, excluding: (1) Subcontracts with foreign corporations which will be performed entirely outside of the United States; (2) Utilities (gas, sewer, water, steam, electricity and regulated telecommunications services); (3) Federal Supply Schedule Orders when all terms of the GSA contract apply; (4) GSA Orders when all terms of the GSA contract apply; (5) Agreements with DOE management and operating contractors and University campuses; (6) Federal government and DOE mandatory sources of supply; Federal prison industries, industries of the blind and handicapped; and (7) Procurement card purchases.

The schedule for submitting and negotiating goals will be followed per Appendix D.

Section B - Performance Objectives

Part III- Administration

III - 5 Property Management

Property Management will employ the Personal Property Assessment Model (PPAM) for FY98. Each Property Management organization will finalize its final assessment plan with DOE and UC by September 30, 1997. This plan will cover performance thresholds, performance ranges (gradients), specific scoring criteria, frequency of reporting, and frequency of scoring.

In this Model points are used to determine the score for each activity. Weights and the corresponding points are shown below at the Objective, Criteria, and Measure levels. At the Basis for Rating level total possible points for each activity are shown below. Overall ratings will be based on the following (where a total weight of 100% is equal to 500 points):

>= 475 Outstanding
>= 450 Excellent
>= 400 Good
>= 352 Marginal
< 352 Unsatisfactory

The Adjectival Rating and Contractual Score will be assigned using the Property Management Scoring Table (see Exhibit I).

Performance Objective #1 Accountability for Equipment and Sensitive Property, and Precious Metals

The Laboratory shall ensure accountability for equipment and sensitive personal property and precious metals.

(Weight = 45%/Total Points = 225)

Criteria:

- 1.1 **Accountability for Equipment and Sensitive Property**
The Laboratory shall conduct successful personal property inventories as established in its inventory plan. (Weight = 25%/Total Points = 125)

Performance Measure:

- 1.1.a **Property Accounted For**
The percentage of personal property accounted for, as described in the approved inventory plan, will be measured. (Weight = 25%/Total Points = 125)

Basis for Rating:

- % of sensitive inventory items located by acquisition value (Total Points for Activity = 62)
- % of equipment inventory items located by acquisition value (Total Points for Activity = 63)

Gradient:

99.5% and Above = Outstanding
99.2% - 99.4% = Excellent
98.7% - 99.1% = Good

Appendix F - Objective Standards of Performance

Criteria:

Performance Measure:

- 1.2 **Precious Metals Inventory**
The Laboratory shall conduct successful precious metals inventories as established in its inventory plan.
(Weight = 5%/Total Points = 25)

- 1.2.a **Precious Metals Inventory Results**
The percentage of precious metals accounted for, as described in the approved inventory plan, will be measured.
(Weight = 5%/Total Points = 25)

Basis for Rating:

- % of precious metals accounted for by weight in grams (Total Points for Activity = 25)

Gradient:

- 99.8% and Above = Outstanding
- 99.6% - 99.7% = Excellent
- 99.0% - 99.5% = Good

- 1.3 **Identification of Items Subject to Inventory**
The Laboratory will ensure personal property items which are subject to inventory are accurately identified.
(Weight = 15%/Total Points = 75)

- 1.3.a **Accuracy of Identification**
The percentage of items accurately identified in the property database will be measured. **(Weight = 15%/Total Points = 75)**

Basis for Rating:

- % of property items recorded via electronic purchasing/receiving system (Total Points for Activity = 19)
- % of property tagged when received (Total Points for Activity = 18)
- % of tagging requests completed within 5 days (Total Points for Activity = 19)
- % of property identified in database (floor-to-database sampling) (Total Points for Activity = 19)

Gradient:

- 98.0% and Above = Outstanding
- 95.5% - 97.9% = Excellent
- 90.0% - 95.4% = Good

Appendix F - Objective Standards of Performance

Performance Objective #2 Stewardship Over Personal Property

The Laboratory shall ensure that both stewardship and custodianship for personal property is maintained.

(Weight = 20%/Total Points = 100)

Criteria:

Performance Measure:

2.1 Organizational Stewardship and Individual Custodianship

The Laboratory will ensure organizational and individual accountability (stewardship and custodianship, respectively) for property.

(Weight = 20%/Total Points = 100)

2.1.a Timeliness of Assignment

The accountable individual is identified for equipment and sensitive property, and the timeliness of such identification is measured.

(Weight = 20%/Total Points = 100)

Note: At LANL, only individual responsibility applies.

Basis for Rating:

- % of property released to a property center within 5 days of receipt (Total Points for Activity = 50)

Gradient:

- 98.0% and Above = Outstanding
- 95.5% - 97.9% = Excellent
- 90.0% - 95.4% = Good

Basis for Rating:

- % of accurate custodian assignments for sensitive property by statistical sampling (Total Points for Activity = 15)
- % of accurate custodian assignments for equipment by statistical sampling (Total Points for Activity = 10)
- % of initial custodians assigned within 60 days (Total Points for Activity = 25)

Gradient:

- 99.0% and Above = Outstanding
- 97.7% - 98.9% = Excellent
- 95.0% - 97.6% = Good

Appendix F - Objective Standards of Performance

Performance Objective #3 Vehicle Utilization

The Laboratory shall have a program to manage its vehicle fleet.
(Weight = 5%/Total Points = 25)

Criteria:

3.1 **Fleet Management**
The Laboratory shall manage its fleet to ensure appropriate vehicle utilization.
(Weight = 5%/Total Points = 25)

Performance Measure:

3.1.a **Vehicle Utilization**
The Laboratory shall measure the percentage of total eligible vehicles meeting local utilization criteria.
(Weight = 5%/Total Points = 25)

Basis for Rating:

% of vehicle utilization for each vehicle classification:

- On-site discretionary (Total Points for Activity = 10)
- Off-site discretionary (Total Points for Activity = 3)
- Non-discretionary operational (Total Points for Activity = 10)
- Non-discretionary seasonal (Total Points for Activity = 2)

Gradient:

98.0% and Above = Outstanding
95.5% - 97.9% = Excellent
90.0% - 95.4% = Good

Appendix F - Objective Standards of Performance

**Performance Objective #4 Information to Improve/Maintain Processes
(Systems Evaluation)**

The Laboratory ensures that Property Management programs are consistent with policies and procedures approved by DOE.

(Weight = 15%/Total Points = 75)

Criteria:

Performance Measure:

- 4.1 **Self-Assessment of Policies and Procedures**
The Laboratory shall plan, conduct, document, and report annually, the results of a successful property management system evaluation.
(Weight = 15%/Total Points = 75)

- 4.1.a **Assessing Support Processes**
The property processes shall be measured against identified system evaluation criteria established in the plan.
(Weight = 15%/Total Points = 75)

Basis for Rating:

Rating will be determined using the Self-Assessment Measures Scoresheet in the Property Performance Assessment Model Plan. Factors to be reviewed for this measure will be:

- Evaluation of Property Management programs including High Risk Program (Total Points for Activity = 19.5)
- Evaluation of Fleet Management programs (Total Points for Activity = 18)
- Evaluation of Stores Management programs (Total Points for Activity = 18)
- Evaluation of Precious Metals programs (Total Points for Activity = 19.5)

Appendix F - Objective Standards of Performance

Performance Objective #5 Customer Alignment

The Laboratory shall ensure that there is a property management program for identifying and evaluating customer needs and for building and maintaining positive customer relations.

(Weight = 5%/Total Points = 25)

Criteria:

Performance Measure:

5.1 Monitoring Customer Alignment

The Property Management organization shall ensure that the property management programs are responsive to customer expectations.

(Weight = 5%/Total Points = 25)

5.1.a Aligning Customer Expectations

The Laboratory will have processes in place to monitor customer expectations of property management tools and products with regard to ease of use, timeliness, accuracy, and certainty.

(Weight = 5%/Total Points = 25)

Basis for Rating:

Were the methods to determine customer satisfaction accomplished per the Customer Satisfaction Plan? (Weight = 5%/Total Points = 25)

- Ease of use
- Timeliness
- Accuracy
- Certainty
- Reliability

Appendix F - Objective Standards of Performance

Performance Objective #6 Balancing Performance and Cost

The Laboratory ensures that property is managed appropriately to balance performance and cost.
(Weight = 10%/Total Points = 50)

Criteria:

Performance Measure:

6.1 Performance/Cost Efficiency
 The Laboratory shall ensure that property processes/products are provided in the most cost efficient manner while maintaining desired levels of performance.
(Weight = 10%/Total Points = 50)

6.1.a Measuring Cost Efficiency/ Effectiveness
 The Laboratory shall measure its ability to effectively balance property management costs and performance.
(Weight = 10%/Total Points = 50)

Basis for Rating:

Areas selected for FY98 in which to apply the scoring matrix below:

- To Be Determined by November 30, 1997 [Total Points for Activit(ies) = 50]

GRADIENT

Cost Vs Baseline Plan Developed Each Year	Performance Level			
	Higher Gradient or Outstanding	Same Gradient	Lower Performance and Not Less Than Good	Lower Performance and/or Less Than Good
Less Cost	Outstanding	Excellent	Good	Marginal
Same Cost	Excellent	Good	Marginal	Unsatisfactory
More Cost	Good	Marginal	Unsatisfactory	Unsatisfactory
More Cost More Requirements	Renegotiate Performance Gradients for Critical Activities			

Appendix F - Objective Standards of Performance

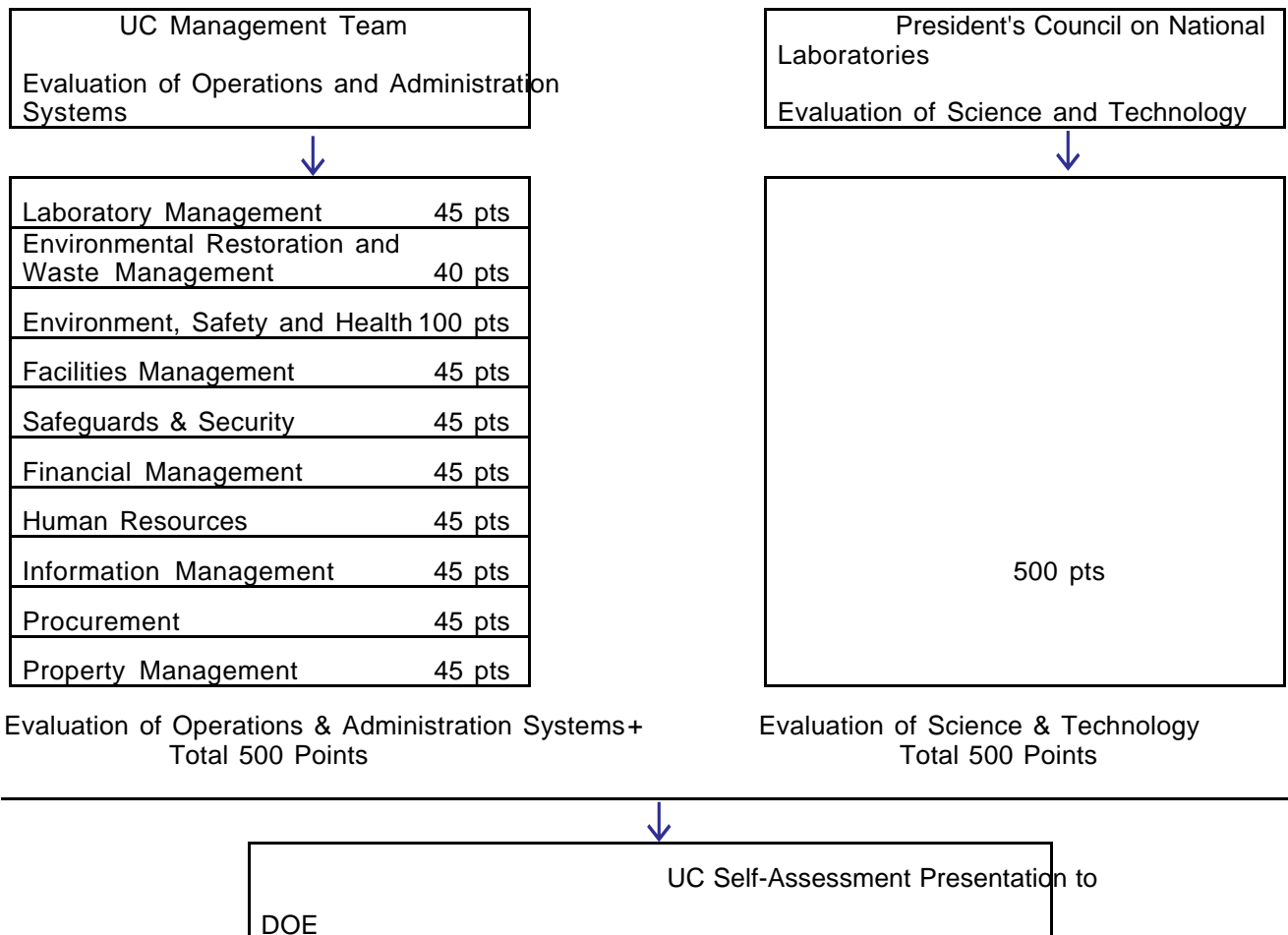
**EXHIBIT I
 PROPERTY MANAGEMENT
 SCORING TABLE**

PPAM Points Earned	Translation to Appendix F Contractual Scoring	Adjectival Rating
493-500	98	Outstanding
484-492	95	
475-483	92	
469-474	88	Excellent
460-468	85	
450-459	82	
433-449	78	Good
417-432	75	
400-416	72	
384-399	68	Marginal
368-383	65	
352-367	62	
336-351	58	Unsatisfactory
320-335	55	
304-319	52	

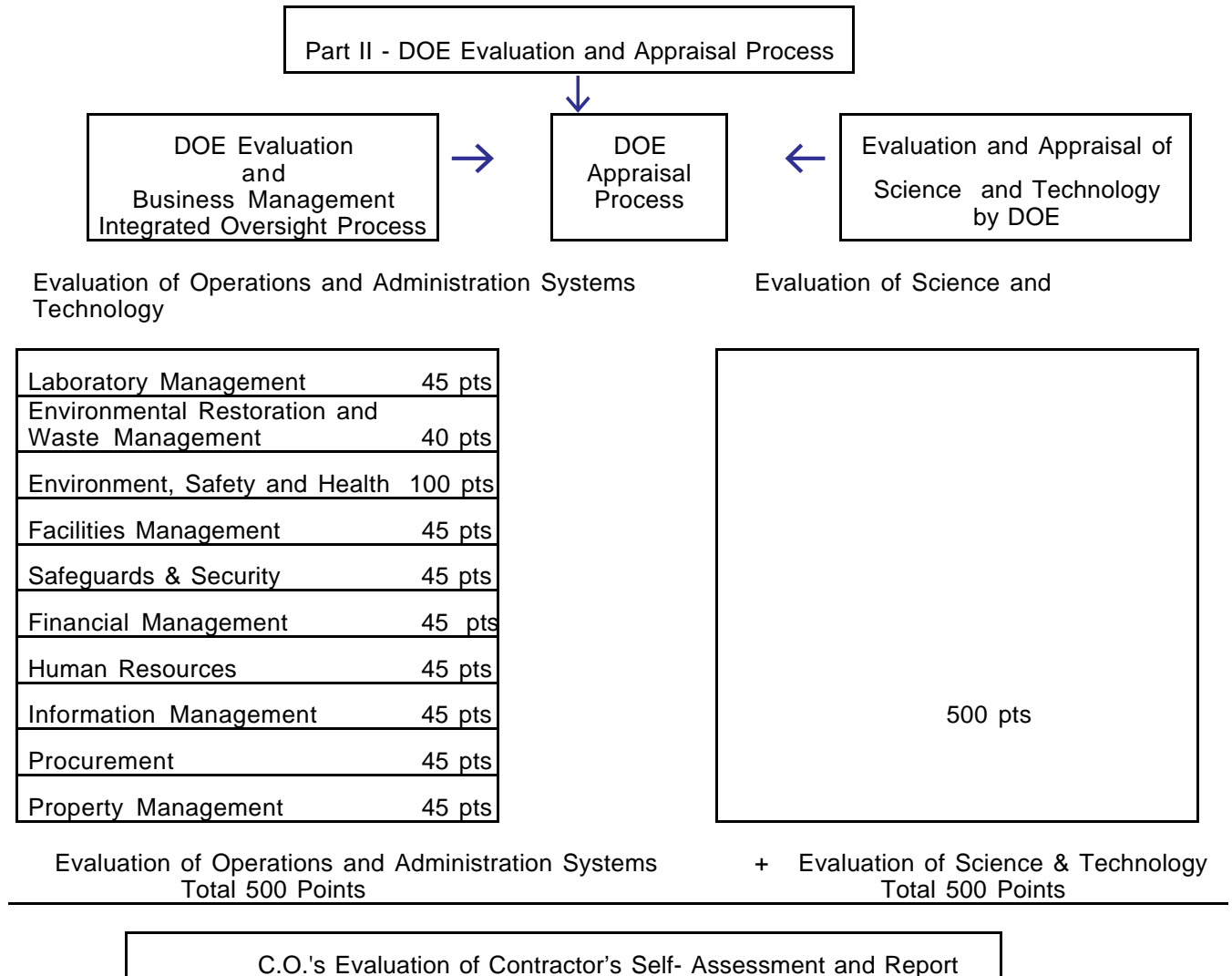
Section C - Assessment and Appraisal

Part I - UC Self-Assessment and Rating Process

- A comprehensive and balanced peer review process will be conducted by the Contractor for the Laboratory through the University President's Council on National Laboratories.
- The UC Management team evaluates operations and administration systems for each Laboratory in each functional area (Laboratory Management, Environment Restoration and Waste Management, Environment, Safety & Health, Facilities Management, Safeguards and Security, Financial Management, Human Resources, Information Management, Procurement, and Property Management) on the basis of established performance measures.
- Weighting of points for each area is established at the beginning of each annual evaluation cycle. Numerical scores expressed as percentages are assigned to each functional area based upon the performance assessment ratings listed below. These percentages multiplied by the maximum points allocated for each functional area result in the total points for that area. UC establishes a aggregate "rating" for each Laboratory based on evaluation of each functional area - ratings for Science and Technology and Operations and Administration Systems are averaged together.



Appendix F - Objective Standards of Performance



Appendix F - Objective Standards of Performance

Part III - Performance Appraisal

Example

Science & Technology	Excellent			435 pts
Operations & Administration Systems	Rating (*See Table 1)	% x	Max pts	Pt Score
Laboratory Management	Good	75% x	45 =	34 pts
Environmental Restoration and Waste Management	Good	75% x	40 =	30 pts
Environment, Safety & Health	Good	75% x	100 =	75 pts
Facilities Management	Good	75% x	45 =	34 pts
Safeguards & Security	Good	75% x	45 =	34 pts
Financial Management	Good	75% x	45 =	34 pts
Human Resources	Excellent	88% x	45 =	40 pts
Information Management	Good	75% x	45 =	34 pts
Procurement	Outstanding	98% x	45 =	44 pts
Property Management	Good	75% x	45 =	34 pts
Total of Operations and Administration Systems				393 pts
Total of Science & Technology and				
	O p e r a t i o n s			828 pts
	&			
Administration Systems				

Senior Management Salary Increase Authorization Multiplier Table

Total Points	Numeric Equivalent
900 - 1000 points	1.50
800 - 899 points	1.25
700 - 799 points	1.00

Appendix F - Objective Standards of Performance

0 - 699 points	.75
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Scientists & Engineers Cost-to-Market (for example) 4.80%

Senior Management Merit Pool Percentage $(4.80\% \times 1.25) = 6.00\%$

Appendix F - Objective Standards of Performance

Table 1
DOE- UC Rating Adjectives

Numerical Range	Adjectival Description	Definition
100-90	Outstanding	Significantly exceeds the standard of performance; achieves noteworthy results; accomplishes very difficult tasks in a timely manner
89-80	Excellent	Exceeds the standard of performance; although there may be room for improvement in some elements, better performance in all other elements offset this
79 - 70	Good	Meets the standard of performance; assigned tasks are carried out in an acceptable manner - timely, efficiently, and economically. Deficiencies do not substantively affect performance.
69- 60	Marginal	Below the standard of performance; deficiencies are such that management attention and corrective action are required.
< 60	Unsatisfactory	Significantly below the standard of performance; deficiencies are serious, and may affect overall results, immediate senior management attention, and prompt corrective action is required.

Note: This set of adjectival ratings is being phased in for FY98.